

A CHEEK & BALANCE FIELD GUIDE

The Cosmetologist Expense *List*

Every deductible expense hiding in your salon business. If you are not tracking these, you are paying too much in taxes.

BY CATE / LICENSED COSMETOLOGIST & BOOKKEEPER



Most stylists *overpay their taxes.*

Not because they earn too much. Because they track too little.

Every expense you miss is money the IRS gets to keep. Every write-off you forget is real cash out of your pocket at tax time. And most stylists I meet are missing at least six categories on this list.

This is the whole list. Every category that legitimately runs through a cosmetology business. Every expense your bookkeeper should be asking about and most are not.

Save it. Screenshot it. Tape it to your station. If any of these categories are new to you, that is the money you have been leaving on the table.

Cate

CHEEK & BALANCE LLC

*Reflects federal tax rules for 2026 (including OBBA changes). This is not tax advice, it is a field guide.
Talk to your tax pro about what applies to your specific setup.*



BEHIND THE CHAIR

01 Products and Backbar

Color, developer, foils, lightener, shampoo, conditioner, toner, treatments, extensions, capes, gloves, disposable towels, styling products. Anything you use ON the client.

02 Retail Products for Resale

Shampoo, conditioner, styling products, tools, and hair care kits you sell to clients.

TRACK SEPARATELY

This is inventory, not an expense. It gets different tax treatment than backbar. Most stylists mix them and it costs them.

03 Tools and Equipment

Shears, clippers, blow dryers, flat irons, curling wands, brushes, combs, wax warmers, timers, mirrors, styling chair, station equipment.

INSIDER NOTE

Anything over \$2,500 may need to be depreciated instead of written off in one year. Track it and let your tax pro decide which.

04 Cleaning and Disinfectants

Barbicide, spray disinfectants, hand sanitizer, brush cleaners, autoclave supplies, cleaning wipes, disposable capes and neck strips.

05 Laundry

Wash and fold service, laundromat runs, laundry pods, dryer sheets, detergent used for business linens.

OFTEN MISSED

Washing capes and towels at home counts. Estimate honestly and track it every month.

RUNNING THE BUSINESS

06

Booth or Suite Rent

Monthly booth rent, suite lease, station rental, and any commission the salon keeps from your services.

READ THIS

If you are 1099, the rent or percentage you pay the salon is deductible. If you are a W-2 employee on commission split, the salon's cut was never your income and cannot be deducted. Which side of the line you are on matters more than most people realize.

07

Business Insurance

Liability, malpractice, business property coverage, business use rider on your car.

READ THIS

If you rent a chair or a suite, you need your own liability policy. The salon's coverage does not extend to independent contractors. Do not assume you are covered.

08

Booking Software and Apps

Vagaro, GlossGenius, Square Appointments, Fresha, Boulevard, Mangomint, Setmore, Acuity, and any monthly subscription that runs your calendar or your books.

09

Merchant Processing Fees

The cut Square, Stripe, PayPal, and your card processor take out of every payment.

READ THIS

These fees do not show up as their own transaction in your bank account. They come out before the deposit hits. Most stylists never track them because they cannot see them. Pull your merchant statements every month. A deposit is not a sale.

10

Bank Fees

Monthly account fees, wire fees, ATM fees, overdraft fees, and any charge that hits your business account.

RUNNING THE BUSINESS, CONTINUED

11 License and Certifications

State cosmetology license renewal, specialty certifications like balayage, extensions, or lash work, and any professional certification you paid for.

GROWING THE BUSINESS

12 Marketing and Advertising

Instagram ads, Facebook ads, boosted posts, business cards, flyers, signage, referral bonuses, promotional gifts to clients, professional photography, logo design, website domain and hosting, email marketing platforms.

13 Continuing Education

Classes, hands-on training, online courses, coaching, mentorship, and industry shows like Premiere, ABS, and IBS.

BONUS

Travel, hotel, and meals to attend education are also deductible. Track those separately under Auto or Meals.

14 Professional Memberships and Subscriptions

Industry associations, trade publications, Canva Pro, editing apps, education subscriptions, business podcasts you pay for.

COMMONLY MISSED

15

Business Meals

Coffee with a client, lunch during education, meals while traveling to a class or convention.

DO THIS

50 percent deductible. Save the receipt AND write down who you were with and why on the back. The IRS wants both.

16

Auto and Mileage

Miles driven to wholesalers, education, client visits, bank runs, and supply pickups.

INSIDER NOTE

Track miles, not gas. The IRS standard mileage rate is easier for most stylists and usually nets more back at tax time. Use a mileage app. Do not try to reconstruct it in April.

17

Phone (Business Use)

The percentage of your phone bill used for booking, texting clients, running your business social media, and taking client calls.

DO THIS

Estimate honestly. 60 percent, 70 percent, whatever is accurate. Then apply the same percentage every month all year.

18

Home Office

The portion of your rent or mortgage, utilities, and internet tied to space you use exclusively for business admin work.

READ THIS

There are two ways to calculate the home office deduction. Your tax pro can pick the better one for you. If you do any admin from home at all, this is worth asking about.



New for 2026.

NO TAX ON TIPS

Cosmetologists, hairdressers, barbers, and salon workers can deduct up to \$25,000 of cash tip income from federal income tax through 2028. Applies to W-2 and self-employed. Phases out over \$150K single or \$300K joint. If you make \$80K with \$15K in tips, this could save you thousands. Ask me about it.

1099 THRESHOLD JUMPED TO \$2,000

If you tip out an assistant, pay a shampoo tech, or send referrals to another stylist and pay them a cut, that is a contractor expense. Track it. And if you pay any one person \$2,000 or more in a year (up from the old \$600 threshold), you need to send them a 1099. Ask me before January if you are unsure.

Your Expense Check-In

Use this space to review your current systems. Check off what you track and add notes on what you want to improve.

- ☐ I track all backbar and product purchases
- ☐ I track retail inventory separately
- ☐ I track merchant processing fees
- ☐ I track tool and equipment expenses
- ☐ I track laundry expenses
- ☐ I track my business mileage
- ☐ I keep digital or paper receipts organized
- ☐ I review my expenses monthly
- ☐ I work with a tax professional who understands beauty industry businesses

NOTES

NEXT STEP

Turn your knowledge into more profit.

WORK WITH ME →

You did not go to cosmetology school to *become a bookkeeper.*

Most stylists I talk to are missing at least six of these categories. Not because they are careless. Because nobody ever handed them the list. I am Cate, a licensed cosmetologist and bookkeeper, and I keep your books clean so you can stop guessing at tax time.

WORK WITH ME

Monthly Bookkeeping

Ongoing bookkeeping, reconciliations, expense tracking, and clear monthly financials.

Bookkeeping Cleanup

For books that are behind, messy, or need to be fixed before tax time.

Not sure what you need?

Start with a conversation and we can figure it out together.

START HERE

cheekandbalance.com

or DM me on Instagram to get started

Bookkeeping that ties out.

Cheek & Balance