FREE GUIDE FOR ONLINE COACHES & COURSE CREATORS

The Online Coach's Tax Checklist

Twelve deductions coaches routinely miss, the point where an S-corp starts paying for itself, and a simple rule for what to set aside from every launch. Work through it once and you'll know more about your tax position than most people do in April.

PART ONE

Twelve deductions coaches routinely miss

Every one of these has to be ordinary and necessary for your business, and you need records to support it. Check the ones you're already claiming — the blanks are where the money is.

- ☐ **Home office**
  Regular and exclusive business use. Simplified or actual method — run both, take the bigger one.
- ☐ **Retirement contributions**
  SEP-IRA or solo 401(k). The single largest lever most profitable coaches have, and it's usually untouched.
- ☐ **Contractor payments**
  VAs, editors, designers, ad buyers, setters. Requires a W-9 up front and a 1099-NEC in January.
- ☐ **Phone and internet**
  The business-use percentage, supported by a reasonable and documented allocation.
- ☐ **Travel, conferences, and meals**
  Business travel, event tickets, and qualifying business meals. Keep the who-and-why, not just the receipt.
- ☐ **Accountable plan reimbursements**
  S-corp only. The correct way to move home office and phone costs out of the business. Needs a written plan.
- ☐ **Self-employed health insurance**
  Premiums for you, your spouse, and dependents. Often missed entirely by coaches on marketplace plans.
- ☐ **Platform and processing fees**
  Stripe, PayPal, Kajabi, Teachable, Thinkific. Deduct gross fees — don't just book the net deposit.
- ☐ **Software and subscriptions**
  CRM, email platform, scheduling, editing, hosting, storage, AI tools. These add up faster than people expect.
- ☐ **Your own coaching and education**
  Masterminds, courses, certifications, and business coaching that maintain or improve your existing skills.
- ☐ **Advertising and content production**
  Ad spend, equipment, studio gear, contractors, stock media, and production costs.
- ☐ **Refunds, chargebacks, and merchant losses**
  Refunded revenue and chargeback fees are real reductions. Missing these overstates your income.

> **WATCH OUT**
> Deducting a personal expense because it's loosely business-adjacent is the fastest way to turn a small tax saving into a large problem. If you can't explain the business purpose in one sentence, leave it off.

PART TWO

When an S-corp actually starts paying for itself

As a sole proprietor, your entire net profit is exposed to self-employment tax on top of income tax. An S-corp lets you split that profit into a reasonable salary (still subject to payroll tax) and distributions (not subject to self-employment tax). The savings come from the distribution side.

The rough threshold	Most coaches find the math starts working somewhere around $50,000–$80,000 of net profit — the point where self-employment tax savings clear the added cost of running it.
What it costs to run	A separate business return, payroll processing all year, possible state filing fees, and a bookkeeping standard you have to actually keep. Budget for all of it before you elect.
The catch that matters	You must pay yourself reasonable compensation for the work you do. Paying yourself too little to dodge payroll tax is the single most common trigger for an IRS challenge on S-corps.
Where the savings stop	Once your salary passes the Social Security wage base, the marginal saving on distributions drops sharply. The S-corp keeps helping — but the benefit plateaus, and the real planning moves elsewhere.

PART THREE

What to set aside from every launch

The reason launch income wrecks people isn't the tax rate — it's that the money arrives and gets spent before anyone calculates what was owed on it. Fix the sequence and the problem mostly disappears.

- ☐ **Open a separate reserve account**
  Not a sub-label in your head. A different account, at a different bank if that helps you leave it alone.
- ☐ **Pay quarterly estimates from that account only**
  Federal estimates are generally due in April, June, September, and January. Your state may differ.
- ☐ **Recalculate after any big month**
  A single $40,000 launch can move you into a different bracket. The percentage you set in January may not survive contact with July.
- ☐ **Move a fixed percentage the day money lands**
  A common starting point is 30% of net profit. Lower if you're in a low bracket, higher if you're a high earner in a state with income tax.
- ☐ **Use safe harbor as your floor**
  Paying in at least what you owed last year (a higher share if your income is large) generally protects you from underpayment penalties even if this year explodes.
- ☐ **Never borrow from the reserve**
  The moment it becomes a slush fund for ad spend, it stops working — and you find out in April.

> **BEFORE YOU USE ANY NUMBER HERE**
> Thresholds, wage bases, and deadlines change every year, and your state adds its own rules on top. Treat everything in this guide as a starting framework, and confirm the current figures for your own situation before you act on them.

Want someone to run these numbers with you?

Altius is a CPA firm built for online coaches. A 15-minute call, no pitch deck — bring your last return and a rough revenue number, and you'll leave with something useful either way.

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