Healthy tax habits aren’t just for Uncle Sam. Keeping track of your finances enables you to make objective decisions about your business and stay ahead of the game!

And, in the case that the IRS does have questions about your wild, wild, freelance lifestyle, you’ll be prepared to pull back the curtain and let them know your business is no rodeo. Use this checklist as a guide for implementing healthy tax habits in your day-to-day.

___ I use an accounting software to keep track of my expenses and revenue.

___ I set aside at least 1/3 of every paycheck for taxes in a separate savings account.

___ I have an accounting system and therefore know who owes me money.

___ I keep all my receipts from at least 6 years back.

___ I have photos of my workspace and other deductions.

___ I regularly pay estimated taxes in April/June/September/January.

___ I’ve set up an entity/properly structured my business.

___ I report based on received, not earned income.

___ I’m prepared to file tax returns in the state where I live, and the states where my client’s businesses are located (if I did work there).

___ I don’t have 1099s from my clients but I’m self-reporting my income anyway.

___ I’m not prepared so I filed for an extension!

Disclaimer: This is meant as a guide, not professional advice. If you have any questions about your taxes or your deductions, hire an accountant or ask a tax professional.