

# The 12 Biggest Profit Leaks

(That Quietly Cost Small Businesses \$8,000–\$50,000+ Every Year)

Download this checklist, open last year's tax return or QuickBooks file, and check off every "Yes." Each "Yes" is money you left on the table last year — and money you can get back this year.

Print it, save it, share it — just don't ignore it.

**1. Mixing personal and business expenses in the same account or card**

Average leak: \$3,000 – \$12,000 in missed deductions + IRS red flags

**2. Not taking the full home-office deduction (regular or simplified method)**

Average leak for home-based owners: \$2,500 – \$6,000

**3. Tracking mileage with a napkin or memory instead of an IRS-proof app**

Average leak: \$1,800 – \$4,500 (at 2025 rate of 70¢/mile)

**4. Paying for equipment, tools, or vehicles out-of-pocket and NOT using Section 179 or bonus depreciation**

Average leak on a single \$25k purchase: \$7,000 – \$12,000 in Year-1 write-offs

**5. Health insurance premiums paid personally instead of through the business**

Average leak for S-Corp owners: \$4,000 – \$15,000

**6. Not taking the 20% Qualified Business Income (QBI) deduction (or taking it wrong)**

Average leak: \$5,000 – \$30,000 for owners in the 22–37% tax brackets

**7. Retirement contributions made with personal money instead of through the company (Solo 401(k), SEP-IRA, etc.)**

Average leak: \$3,000 – \$18,000 in tax savings

**8. Paying quarterly estimated taxes late or incorrectly**

Average leak: 1–8% IRS underpayment penalty + interest

**9. Collecting sales tax but remitting late or to the wrong state**

Average leak: 5–25% late penalties + personal liability in many states

### **10. 1099 contractors paid over \$600 but never issued 1099-NEC forms**

Average leak: \$50–\$250 per form in IRS penalties (they're serious about this)

### **11. Inventory or Cost of Goods Sold calculated wrong (or not at all)**

Average leak for e-commerce/retail/restaurants: \$8,000 – \$40,000 in overstated profit → higher taxes

### **12. Credit-card processing fees, shipping, or advertising run through personal accounts**

Average leak: \$2,000 – \$10,000 in forgotten deductions

### **How many “Yes” boxes did you check?**

- 0–2 → You're in the top 5% (congrats!)
- 3–6 → You're probably leaving \$15,000–\$35,000 on the table every year
- 7+ → You're losing six figures over the next 5 years if nothing changes

### **The Fix Is Simpler Than You Think**

Most of these leaks disappear the moment you have a professional bookkeeper running your books every month in QuickBooks Online.

Counted 3 or more “Yes” boxes?

Let's fix them all this year.

Book a free 15-minute Profit-Leak Review right now — we'll go through your checklist together, show you every dollar you're currently losing, and give you custom pricing (no obligation).

→ Pick a time that works for you: <https://metzlerbookkeeping.com/schedule>

Stop leaking profit. Start keeping what you actually earned.