The Indie Author Tax Guide

A plain-language orientation
for self-published authors

Part of the Tax Helper series

MeekDuke Books

2026 Edition, describes rules as of October 2026.

General information only. Not tax advice. See page 2.

MeekDuke Books · meekdukebooks.com Page 1 Read This First This page matters more than any other page in the guide. Please read it before you use anything that follows.

1. General information only. This guide explains, in plain language, how U.S. taxes generally work for self-published authors. It is education, not tax, legal, or financial advice, and it is not a substitute for advice about your own situation.

2. Not tax preparation. This guide does not prepare, file, or e-file any tax return for anyone. MeekDuke Books does not represent any reader before the IRS or any state agency.

3. We are not tax professionals. MeekDuke Books is a publisher. We are not CPAs, enrolled agents, attorneys, or tax preparers, and we are not affiliated with or endorsed by the IRS.

4. Dated information. This is the 2026 edition. It describes rules as of October 2026. Tax law changes. Check current figures, dates, and thresholds at IRS.gov and your state's department of revenue before you rely on them.

5. Examples are fictional. The authors in the examples are made up, and every number is an illustration only. Nothing in this guide guarantees any deduction, refund, or savings.

6. Your return is your responsibility. You remain solely responsible for your own taxes. For decisions about your own situation, consult a credentialed professional: a CPA, an enrolled agent, or a tax attorney.

MeekDuke Books · meekdukebooks.com Page 2 7. Do not send us your documents. Please never send MeekDuke Books your Social Security number, tax returns, IRS letters, bank details, or passwords. We do not accept, review, or store readers' tax documents.

If you remember one sentence from this guide, make it this one: this guide helps you understand the landscape and get organized; a credentialed

professional helps you make decisions about your own numbers.

MeekDuke Books · meekdukebooks.com Page 3 How to Use This Guide Writing books is a business, even when it starts as a hobby with a laptop. The tax system treats it that way. Most authors are not trying to dodge anything, they are simply never told how the pieces fit together. That is the gap this guide fills.

In these pages you will find:

• The main ways money comes in for authors, and what each kind of income generally is.

• The expense categories authors commonly have, explained in general terms.

• Simple record-keeping habits, plus blank trackers you can copy.

• What quarterly estimated taxes are: the concept and the calendar, never a calculation of your amount.

• The 1099 forms authors receive, and the ones authors sometimes have to send.

• Sales-tax basics for selling books directly.

• Business-structure questions, framed as questions to ask a professional.

• A hand-off page: when to hire a CPA or enrolled agent, and what to bring.

Meet the examples Maya writes romance novels. She publishes through a big retail platform and also sells signed paperbacks at local book fairs. Devon writes nonfiction. He hires a freelance editor and a cover designer for every book. Both are fictional. Their situations show how the general ideas in this guide show up in real author lives.

MeekDuke Books · meekdukebooks.com Page 4 One habit to start today, before any other: keep your author money in its own account, separate from

your personal money. Many authors open a separate bank account for the business. It makes every record in this guide easier to keep.

MeekDuke Books · meekdukebooks.com Page 5 Chapter 1: Money In: The Shape of Author Income Author income rarely arrives in one clean stream. It drips in from several taps. Here are the taps you will most often see.

Royalties from retailers and platforms When a reader buys your ebook or paperback on a retail platform, the platform keeps its share and pays you a royalty. Platforms usually pay monthly, one or two months after the sale month. The amount that lands in your bank account is your gross royalty income from that platform for that month. Your platform dashboard and your year-end tax statements are the records that prove it.

Royalties and payments from publishers If a publisher releases your book, it pays royalties under your contract, often twice a year with a royalty statement. Publishers generally report royalty payments to the IRS on Form 1099-MISC. Keep every royalty statement, it is both a tax record and your proof of what the contract earned.

Advances An advance is money a publisher pays you ahead of royalties, usually in parts: some on signing, some on delivery of the manuscript, some on publication. An advance is generally taxable income in the year you receive each part, even though it feels like a loan against future sales. It is not a loan for tax purposes.

Direct sales

MeekDuke Books · meekdukebooks.com Page 6 Selling from your own website, at fairs, or by hand means the full purchase price is your gross income, and the costs of the books, booth. Travel. are business expenses (Chapter 2). Direct sales are also where sales tax can enter the picture (Chapter 6).

Other streams authors see • Audiobook royalties and per-finished-hour payments, through audio platforms.

• Subscription reading programs that pay per page read.

• Foreign and subsidiary rights: translations, film options, large-print editions.

• Speaking, teaching, and appearances connected to your books.

• Crowdfunding and patron platforms: generally business income when it pays for your work.

The big idea: almost everything your writing earns is business income, even when no tax form arrives for it. A payment does not become taxable because a form exists, and it does not become tax-free because a form is missing. Forms are paperwork about income, they are not what makes it income.

Maya's year, in miniature: royalties land monthly from her retail platform, and twice a year she earns a few hundred dollars selling signed copies at fairs. Two taps, one business. She logs both in the same income tracker later in this guide.

MeekDuke Books · meekdukebooks.com Page 7 Chapter 2, Money Out: Expense Categories Authors Commonly Have The tax law generally allows a business to deduct expenses that are "ordinary and necessary" for that business, common and accepted, and helpful and appropriate. Whether a specific cost counts for a specific author is a decision for that author and their professional. What follows is a general map of the categories authors commonly have, so you can recognize and record your own.

People who help make the book Editors, proofreaders, cover designers, illustrators, formatters, narrators, and virtual assistants. Keep the invoice or receipt for every payment. If you pay one person enough in a year, a 1099 may be involved, see Chapter 5.

Production and publishing costs ISBNs, copyright registration fees, printing of author copies, proof copies, and shipping books to reviewers or events.

Software and services Writing and formatting software, website hosting, your domain name, email service, stock photos, and subscriptions you use for the writing business.

Marketing and advertising Ad spend on retail and social platforms, newsletter services, book-fair booth fees, promotional printing such as bookmarks and banners, and giveaway copies.

Home office and workspace

MeekDuke Books · meekdukebooks.com Page 8 Many authors work from home. Tax law has specific rules, and a specific simplified method, for a workspace used regularly and exclusively for the business. The rules are detailed enough that this is a classic question for a professional (see Chapter 7).

Travel for the business Mileage or fares to book events, conferences, and research trips. The IRS expects a log: date, place, business purpose, and miles. A notebook or app log made at the time is worth far more than a reconstruction in April.

Learning the craft and the business Courses, craft books, conference fees, and professional memberships connected to your writing work.

Professional help Fees you pay a CPA, enrolled agent, attorney, or bookkeeper for the business are themselves a common business expense category.

Categories are not promises. A category appearing in this guide does not mean every cost in it is deductible for every author. Personal costs, and costs from before the business existed, are treated differently. Record everything honestly, and let a professional help you sort your own list at tax time.

Devon's habit: every time he pays his editor or designer, he saves the invoice in one folder named by year, 2026 Editing, 2026 Covers. In January, his expense log and his folder agree with each other. That agreement is what good records look like.

MeekDuke Books · meekdukebooks.com Page 9 Chapter 3: Records That Save You You do not need fancy software. You need a small set of habits, kept all year, in whatever tool you will actually use, a spreadsheet, a notebook, or one of the blank trackers on the next pages.

Five habits that cover most of it • Separate the money. One bank account for author income and author spending. Commingled money is the single biggest source of tax-season pain.

• Log income when it arrives. Date, source, what it was, amount. Monthly platform payouts make this a five-minute monthly task.

• Save the proof. Receipts, invoices, and platform statements, photos or scans are fine. Store them in one folder per year.

• Log miles when you drive. Date, where, why, how far. Made at the time, not from memory.

• Keep the forms that arrive. Every 1099 and every royalty statement goes in the year folder, even the ones that look wrong. If one is wrong, tell the sender, and keep your note about it.

How long should you keep records? The IRS generally suggests keeping tax records for at least three years after you file the return they support, and longer in some situations, its website has a plain page on the topic. Many advisors suggest seven years as a comfortable habit. Storage is cheap; keep the year folders.

Documents-to-gather checklist When tax season comes, most authors need the same starter set. Gather these before you sit down, or before you hand off to a

professional

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Every Form 1099 that arrived (platforms, publishers, payment apps)

Year-end statements from each sales platform

Royalty statements from publishers

Your completed income log for the year

Your completed expense log for the year

Receipts and invoices for your larger expenses

Your mileage log, if you drove for the business

Records of estimated tax payments you made (dates and amounts)

Last year's tax return, if you have one

Business bank and card statements for the year

MeekDuke Books · meekdukebooks.com Page 11 Your Blank Trackers Copy these pages, or rebuild them in a spreadsheet. They are deliberately simple. A simple tracker you keep beats a perfect system you abandon in March.

Monthly Income Log Date Source What it was Amount

One row per payment that arrives. Platform payouts, publisher royalties, direct sales, speaking fees, all of it, in the order it landed.

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Use the categories from Chapter 2. If a cost does not fit a category, write what it was in plain words, your future self, or your preparer, will thank you.

MeekDuke Books · meekdukebooks.com Page 13 Chapter 4: Estimated Taxes: The Quarterly Rhythm Employees never think about when tax is paid. Their employer withholds a little from every paycheck and sends it in all year. The U.S. system is pay-as-you-go: and when nobody withholds for you, the job of sending money in during the year falls to you. That is what estimated tax payments are: your own withholding, done by hand.

Who this generally concerns IRS materials generally describe estimated tax as applying to income that is not subject to withholding, including self-employment income, and generally say individuals who expect to owe at least $1,000 in tax when their return is filed should look at estimated payments. Many working authors have a mix: a job with withholding, plus writing income without it. The IRS explains the general rules in the instructions for Form 1040-ES, which is the voucher form used for these payments.

Two taxes are in the picture Self-employed people generally owe income tax and self-employment tax: the Social Security and Medicare taxes that employers and employees normally split. If you have only ever been an employee, the second one is the surprise. Seeing both named here is the whole point: authors who know about both are rarely shocked in April.

The general calendar Estimated payments are generally due four times a year. The standing dates are:

• April 15, for income earned January through March.

• June 15, for income earned April through May.

MeekDuke Books · meekdukebooks.com Page 14 • September 15, for income earned June through August.

• January 15 of the next year, for income earned September through December.

When a date falls on a weekend or federal holiday, it generally moves to the next business day. Some states run their own estimated payments on their own calendars. Confirm the current year's dates at IRS.gov and with your state.

The set-aside habit Because no one can tell you your exact amount from a book, and this book will not try, the practical skill is a habit, not a formula. Many self-employed people move a fixed percentage of every payment into a separate savings account the day it arrives, so the money for quarterly payments is sitting there when the date comes. What percentage fits your life depends on your total income, your other withholding, and your state, an excellent first question for a professional (Chapter 8). The habit matters more than the number: money set aside monthly is painless; the same money found all at once in April is not.

How people pay People pay the IRS directly, through IRS Direct Pay or the federal EFTPS system, by the Form 1040-ES voucher with a check, or through tax software. States have their own portals. Never pay your estimated taxes through a stranger, and never hand your bank login to anyone. Keep the confirmation and the date for every payment in your year folder.

MeekDuke Books · meekdukebooks.com Page 15 What this chapter deliberately does not do: compute your payment. Worksheets inside the IRS's own Form 1040-ES instructions walk through the general math, tax software estimates it from your entries, and a CPA or enrolled agent can set your amounts with you. If paying too little during the year worries you, that worry is

exactly the kind a professional can price and solve.

Maya's rhythm: on the first of each month, her platform royalty lands. She moves her set-aside share to savings the same day, before she spends a cent. Four times a year, she pays her estimate from that account. Boring, automatic, done.

MeekDuke Books · meekdukebooks.com Page 16 Chapter 5: The 1099 Family: Forms You Receive and Forms You Give A 1099 is an information form. It tells the IRS, "we paid this person this much." One copy goes to the IRS, one copy comes to you. Authors meet three members of the family most often.

Form 1099-MISC: royalties Publishers use Form 1099-MISC to report royalties. The reporting floor for royalties has historically been very low, royalties of $10 or more are generally reported, much lower than the floor for most other payments. If your books earn royalties through a publisher, expect this form in January or early February. Check it against your royalty statements, and tell the publisher promptly if the total looks wrong.

Form 1099-K: payment platforms Payment processors and online marketplaces use Form 1099-K to report payments they processed for you. Under current federal rules, the reporting threshold is more than $20,000 in payments and more than 200 transactions in a year. Some states set lower thresholds for their own copies. Two warnings travel with this form. First, the amount on a 1099-K is gross, before refunds, fees, and the cost of your books, so it is usually bigger than your actual income from that channel. Your own logs (Chapter 3) are how you show the difference. Second, income is income whether or not this form arrives.

Form 1099-NEC: people you pay This one runs the other direction. When your business pays a freelancer for services, an editor, a cover designer, a narrator, the IRS may expect you to report it on Form 1099-NEC. The habit professionals teach:

MeekDuke Books · meekdukebooks.com Page 17 collect a completed Form W-9 from any freelancer before you pay them, so you have their legal name and tax ID on file if a form is needed.

The reporting threshold has recently changed, and the year of the payment decides the number: payments made in 2025 used the long-standing $600 floor. Payments made in 2026 use a $2,000 floor, and the amount is scheduled to adjust for inflation after that. Payments to corporations are often exempt, with exceptions. Because the exact rules have moving parts, confirm the current-year instructions for Forms 1099-NEC and 1099-MISC at IRS.gov each January, or hand this task to your preparer, many authors do.

Devon's January: he paid his editor in several installments across the year and his designer once. In January he added up what each person received for that payment year, checked the current threshold, and sent the forms that were required, by the January 31 deadline that generally applies to Form 1099-NEC. His W-9s were already in the folder, because he collected them before the first payments, not in a January panic.

One more form authors see: if you also have a day job, your W-2 from that employer is separate from all of this. Job income and author income are reported in different places on the same return, which is another reason the mixed-income conversation belongs with a professional.

MeekDuke Books · meekdukebooks.com Page 18 Chapter 6: Selling Books Yourself: Sales Tax Basics Sales tax is a state and local tax on sales to customers. It is separate from income tax, it belongs to the states, and every state writes its own rules. This chapter is an orientation map only, it cannot tell you what your state requires of you.

Why platform sales usually feel simple Most states have what are called marketplace-facilitator laws. Under them, the big platform that runs the marketplace, the retail site your reader buys from, collects and sends in the

sales tax on sales through its platform. That is why royalties from platform sales arrive without a sales-tax task attached. The platform handled it.

Where your own obligations can appear • Selling from your own website with your own payment processing: now there is no marketplace between you and the buyer.

• Selling in person: book fairs, signings, conventions in your home state or another state.

• Shipping into other states: states use the idea of "nexus": a connection strong enough that the state can ask you to collect its tax. Being physically present is the classic connection; many states also have economic thresholds based on sales volume.

States differ on everything that matters here: whether books are taxed, the rates, the thresholds, whether you need a seller's permit before your first direct sale, and how often you file. Some states have no general sales tax at all. Many authors who sell direct in only small amounts still register in their home state and file simple returns, the steps are usually: check

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The safe sentence: before your first direct sale, spend twenty minutes on your own state's department of revenue website, or ask a professional one focused question: "I sell my own books from home in this state; what do I need?" It is much cheaper to start registered than to register late.

Maya at the book fair: her fair is in her home state. Before her first fair she registered with her state, and she keeps a simple tally of fair sales, date, place, total sold, in the same folder as her income log. When her state's filing date comes, the numbers are already waiting.

MeekDuke Books · meekdukebooks.com Page 20 Chapter 7, Sole Proprietor, LLC, S-Corp? Questions to Ask a Professional Sooner or later every author asks: should I form something? This chapter will not answer that, for you, the answer depends on your income, your state, your risks, and your plans. Instead, here are the structures in plain words, and the questions that turn a consultation into money well spent.

The three shapes, briefly Sole proprietor. The default. If you earn author income and have formed nothing, this is you. There is no legal wall between you and the business. Business profit is generally reported on Schedule C of your personal return, and self-employment tax is figured on Schedule SE.

LLC (limited liability company). A state creation, you form it with your state and pay its fees. It builds a legal wall between business and personal assets for many purposes. For federal tax, a one-person LLC is usually taxed exactly like a sole proprietor unless it elects otherwise. Forming an LLC changes your legal paperwork more than your tax math, at the start.

S-corporation. A tax election, often made by an LLC or a corporation, where the owner becomes an employee of the business and takes a salary, with remaining profit passing through differently. It can change the self-employment tax picture at higher incomes, and it adds payroll, filings, and rules. It is the most machinery of the three, which is why the question is usually about income level.

Questions worth paying to have answered At my current level of author profit, does any structure change my total tax, by enough to matter?

MeekDuke Books · meekdukebooks.com Page 21 What would each structure cost me per year in state fees, extra filings, and bookkeeping?

What liability risks do I actually have as an author, and which of them would an LLC really cover?

If I sign with a traditional publisher later, does a structure help, hurt, or not matter?

What records would I need to keep the structure's protection real: separate accounts, operating agreement, meeting notes?

When should I revisit this question, at what income or event? Bring your last year of income and expense logs to that meeting. A professional with your real numbers in hand can usually answer these in one sitting.

MeekDuke Books · meekdukebooks.com Page 22 Chapter 8: The Hand-Off: Working With a CPA or Enrolled Agent When it is time to hire help • Your author income has grown from "a little" to "a real share of what I live on."

• You have income from several countries, or a publisher in one.

• You are thinking about an LLC or S-corp election (Chapter 7).

• You got a letter from the IRS or your state that you do not fully understand.

• You are a year or more behind on filings.

• You simply dread this now, dread is information, too.

Who does what CPAs are licensed by their state; many specialize in small businesses. Enrolled agents are licensed by the IRS itself and specialize in taxes. Tax attorneys are lawyers who focus on tax law. All three can represent you before the IRS. The IRS keeps a public directory of credentialed preparers on its website, and state CPA societies and the national association of enrolled agents keep find-a-professional listings. Ask other authors who they use, authors' groups are full of quiet, excellent recommendations.

What to bring A prepared client gets better help in less time, which usually means a smaller bill. Bring:

Every Form 1099 and W-2 for the year

Platform year-end statements and publisher royalty statements

MeekDuke Books · meekdukebooks.com Page 23 Your income log and expense log (the tracker pages in this guide, or your spreadsheet)

Your mileage log, if you have one

Records of estimated payments: dates, amounts, confirmations

Last year's return

A one-page list of your questions: start with Chapter 7's

Any letters from the IRS or your state, complete and unedited

Questions to ask at the first meeting • "Do you work with authors, creators, or other very small businesses?"

• "What should I be doing about estimated payments this year?"

• "Looking at my expense log, what am I recording badly?"

• "What do you need from me each year, and by when?"

• "What will this cost, and what does the price include?"

A closing word. You learned to write books, a genuinely hard skill. The tax side is only a foreign language until someone translates it. This guide translated the map. When you need the terrain of your own numbers walked with you, hire the guide. That is not defeat. That is a professional author, running a professional business.

MeekDuke Books · meekdukebooks.com Page 24 Glossary, Plain Words for Tax Words 1099-K, The form payment platforms use to report payments they processed for you. Shows gross amounts, before fees and refunds.

1099-MISC: The form publishers use to report royalties (and some other payments) to you and the IRS.

1099-NEC, The form used to report payments to freelancers for services, the one you may send to your editor or designer.

Advance: Money a publisher pays ahead of royalties. Generally taxable income in the year each part is received.

CPA, Certified public accountant. Licensed by a state; can represent you before the IRS.

Deduction: A business cost the tax law allows you to subtract from business income before tax is figured.

Enrolled agent: A tax professional licensed by the IRS itself. Can represent you before the IRS.

Estimated tax: Payments you send in during the year, in place of an employer's withholding.

Gross income: The full amount that came in, before expenses are subtracted.

Marketplace facilitator: The platform that runs a marketplace and, under most states' laws, collects sales tax on sales through it.

Nexus: A connection to a state strong enough that the state can require you to collect its sales tax.

Royalty, Your share of the money a book sale earns, paid by a platform or publisher.

MeekDuke Books · meekdukebooks.com Page 25 Schedule C: The part of an individual tax return where a sole proprietor's business income and expenses are generally reported.

Self-employment tax: The Social Security and Medicare taxes self-employed people pay, covering both the employee and employer shares.

W-9: A short form a freelancer fills in with their legal name and tax ID, so a payer has what it needs for a 1099.

One last reminder. This guide is general information only, not tax, legal, or financial advice. MeekDuke Books is a publisher, not a CPA, enrolled agent, attorney, or tax preparer, and is not affiliated with the IRS. Rules as of October 2026; verify current figures at IRS.gov. And please: never send us your Social Security number, tax returns, IRS letters, or financial documents. We do not accept or store them.

Thank you for reading. Now go write the next book, and keep the receipts.

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