

TAX no.1 MYTH

"My credit card statements are enough."

Thousands of small business owners learned the hard way last year that you also **need the receipt** to take a deduction.



Find out the easy way at TAXRECEIPTS.COM

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Tax Receipts SIMPLE EXPENSE TRACKING SYSTEM



COLLECT RECEIPTS



WHAT IS A DEDUCTION?



REVENUE

—



BUSINESS EXPENSES

=



TAXABLE INCOME

Deductions are just business expenses that you claim on your taxes. Claiming deductions saves you money by reducing your taxable income so **you can pay less** in taxes to the government.

THE BEST PART IS THAT YOU ARE PROBABLY ALREADY PAYING FOR THESE EXPENSES, YOU JUST NEED THE RIGHT INFORMATION TO TURN THEM INTO VALID TAX DEDUCTIONS.

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YEAR END TAX PLANNING TACTICS

Project & Adjust

PROJECT	ADJUST	
INCOME OR TAX RATES	THIS YEAR	NEXT YEAR
INCREASE next year	Push expenses	Pull income
DECREASE next year	Push income	Pull expenses
NO CHANGES next year	Push income	Pull expenses

Other end-of-year tax tools

- › Equipment purchases (Section 179 deduction)
- › Contributions to retirement, HSA or other fringe benefit plans
- › Adjust owner salaries
- › Rental agreements to compensate owners for business use of property
- › And much more!

STARTUP EXPENSES IN A NUTSHELL

Startup expenses are the same as operating expenses, except that they are **incurred before the business begins** and deductions are **limited to \$10k** in the first year of operations.



STARTUP EXPENSES:

Deduct up to \$10k in the first year. Remainder deducted over 15 years.

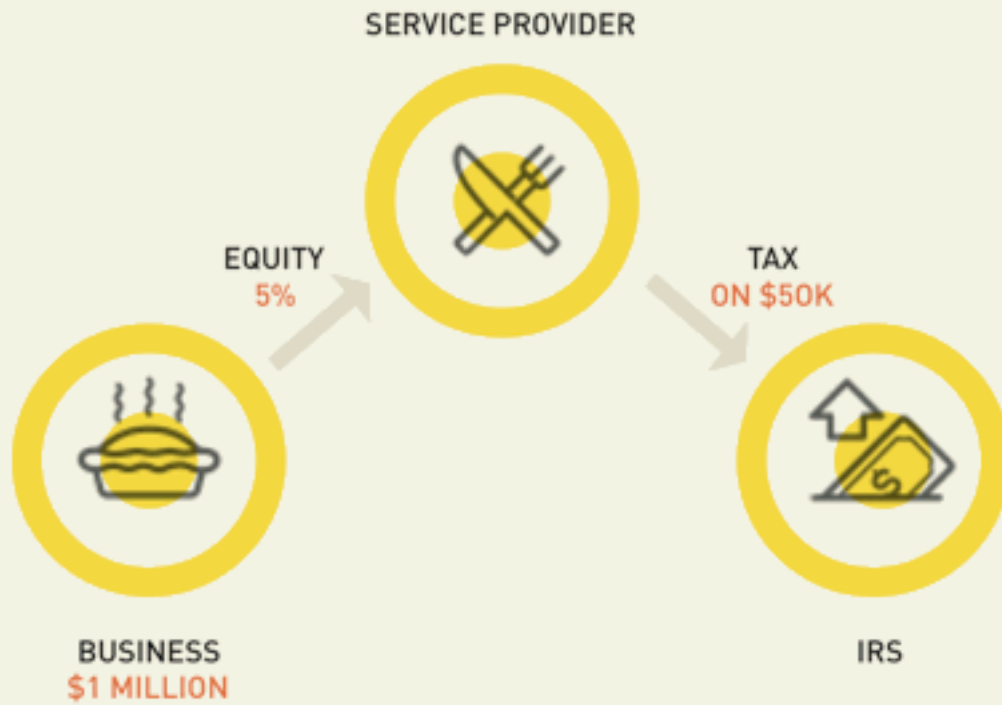
OPERATING EXPENSES:

Deduct them all.

TIPS:

1. Keep track of all startup expenses.
2. Start your business before startup expenses exceed \$6k.

THE EQUITY TAX BITE



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SET IT AND FORGET IT

As a small business owner, you are constantly bombarded with deadlines from all directions. The tax man doesn't take kindly to late submissions, so take a few minutes at the beginning of each year to **set up a tax calendar** for your business.

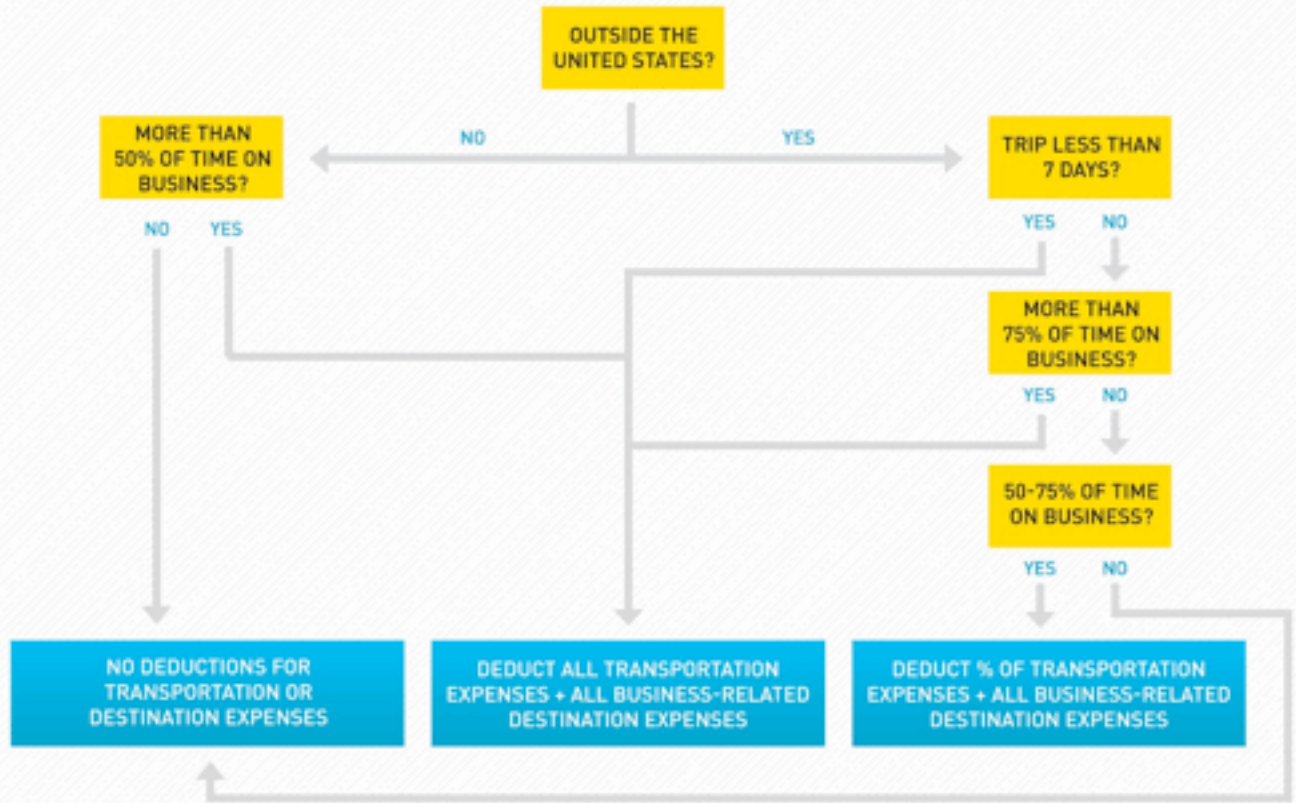
Here are a few deadlines to include*:

Filing	Paying
Federal income tax return	Federal, state and local income taxes
State income tax return	Federal, state and local estimated taxes
Local income tax return	Property taxes
Sales and use tax returns	Federal employee income tax withholding
Payroll tax returns	Federal, state and local payroll taxes
Year-end payroll reports	Sales and use taxes
State intangible tax returns	
Property tax returns	
Federal 1099s	
Employee benefit plan reports	

* Check with your state and local tax authorities for specific filing requirements

Tip: Download a comprehensive federal tax calendar at <http://www.irs.gov/pub/irs-pdf/p1518.pdf>.

BUSINESS TRAVEL DEDUCTIONS



INDEPENDENT CONTRACTOR?

Many different agencies have their hands in the employee v. independent contractor debate, and all use a variety of criteria to determine how a worker should be classified.

While the rules that each agency uses to decide the debate are vague and subjective, here are a few common criteria:

	Employee	Independent Contractor
Makes profit and loss		x
Pays own business expenses		x
Pays own employment taxes		x
Offers services to the public		x
Provides own training		x
Provides own tools and materials		x
Work at a specific location	x	
Work at a specific time	x	
Work for a specific amount of time	x	
Work is critical to the company's day-to-day business	x	
Project-based work		x
Work performed personally	x	
Receives benefits	x	

Tip: Create a contract. A contract is the first place to start when classifying a worker as an independent contractor. While the contract won't save the day in a clear case, it will certainly help tip the balance in close situations.

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BUSINESS TRANSPORTATION DEDUCTIONS

