

Most Overlooked Business Expenses That Will Cost You Plenty



Page 1

Give Yourself A Big, Fat Raise...You've Worked Hard For It and You Deserve It.

If you own a business, you learn quickly that you share the wealth with others. Financial Experts will tell you, pay yourself first. But when the landlord wants his rent money, and the Utility Company threatens to shut off the electricity, sometimes you just can't pay yourself first.

But did you know there is "hidden money" in your business, that you can tap into?

If you use your car for business purposes and are not writing it off because you "can't be bothered" with the paperwork, consider this....**Uncle Sam is giving you 55-1/2¢ for every mile you drive for business.** Of course, you need to keep good records. **If you drive only 1,000 miles for your business and claim mileage expense on your tax return, you can write off \$550.** If you file Schedule C, as a sole proprietor, **your savings start at \$146!** *You've already saved 25% on your taxes!*

It makes both business sense and financial sense. Now I don't know of any businessperson that wants to overpay their taxes and not put more money in their pocket!

And of course, if your vehicle is used mostly for business, there are greater write-offs for you...this creates more wealth for you! But you still need to keep good records.

Did you know that the IRS will disallow your auto expense if you are audited and you do not keep "good records"?

Let's now turn our attention to the extra money your home office will generate.

First, you must meet the criteria for a home office deduction. Generally speaking, this means you must use an area for business on a continuing basis. A home office will also qualify if the office is used exclusively for administrative or management activities of a trade or business **AND** there is no other fixed location where the taxpayer conducts these activities.

*Actual amount saved varies depending on your income tax bracket. You can actually receive a bigger tax savings if you are in a higher tax bracket.



MORE MONEY FOR YOU

As a sole proprietor with a “qualified” home office, you can now deduct a percentage of your rent from your profit, as well as utilities, maintenance and otherwise non-deductible expenses of your home. If you own your home, you can write-off a percentage of your mortgage interest and real property taxes, as well as, utilities, repairs and depreciation.

If you currently pay \$10,000 per year in mortgage interest, \$5,000 in real property tax and \$2,500 for utilities, and your home office is approximately 10% of your total living space, then your **real dollars savings** can be **more than \$1,788**.^{*} If you deduct your mortgage interest and real property taxes on your personal income tax return on Schedule A, your tax savings is only \$1,500. **You’ve already saved \$288 and you haven’t done anything differently**. For the sake of brevity, I haven’t even touched on depreciation for your home and other direct and indirect expenses you may be able to deduct.

TOTAL MONEY IN YOUR POCKET SO FAR = \$409

If your business is a corporation, there are **other money saving strategies to boost your income** when you have a home office.

MEDICAL EXPENSES FOR THE SOLE PROPRIETOR

If your spouse is actively employed by you, you may be able to deduct medical expenses paid through a qualified Medical Reimbursement Plan. You can save an awful lot of money if you set this up right. Assuming you pay \$5,000 per year in medical expenses, you can save \$1,250. If you deduct this on your personal tax return instead of your Schedule C, you will be overpaying your tax bill at least \$785!^{*}

TOTAL MONEY IN YOUR POCKET \$1,194

Bottom Line: Uncle Sam gets \$1,194 less from you!

Your Child Can Finally Pay YOU Back

If are a sole proprietor and you have a child under the age of 18 who is actively employed in your business, you can deduct his or her wages (NOT AN ALLOWANCE) from your business, neither you nor your child need to participate in contributing to the Social Security tax.

^{*}Actual amount saved varies depending on your income tax bracket. You can actually receive a bigger tax savings if you are in a higher tax bracket.

Again, a hypothetical situation, but if you pay your child \$5,000 per year for legitimate employment in your business, **your cost savings is \$883.***

TOTAL COST SAVINGS = \$2,077

Using these cost savings strategies = PRICELESS

Of course, you should check with your tax advisor to find out how to effectively use these money saving strategies, otherwise you will have the IRS breathing down your neck if you didn't play by their rules.

Running your business without a tax advisor is like performing your own root canal. Only more painful. Besides dealing with the IRS, you also have to make sure you are in compliance with state tax and insurance laws as well.

Liz Simeone, Enrolled Agent, specializes in saving small business owners money, which of course, means **MORE MONEY FOR YOU**. Isn't this the reason you went into business to begin with? Visit the KwicTax LLC website at www.kwictaxllc.com to find out more about me and the other services we offer. Keep reading for your **MONEY SAVING COUPON**.

I work with small business owners so they pay less tax and help them get out from under all the paperwork they need to file with the IRS and the States. We provide bookkeeping and accounting services so you can focus on your business and free up your weekends. You can't get ahead unless you know where you've been. We help you make sense of the numbers and get you on track.

Because I am an Enrolled Agent, licensed by the Federal government, I can represent clients in all 50 states. I have over 17 years experience helping small mom-and-pop operations to family-owned corporations with sales over \$15 million. I know I can help you keep more money for yourself. Isn't that what you're working for?

Need More Reasons to Go Running To KwicTax To Find Out How to Give Yourself A Raise?



Top Reasons For Choosing KwicTax So You Can Keep More of Your Hard-Earned Money

1. I know the Business Side to Reduce Your Tax Burden
2. Small Business Tax Specialists—Pay Less Tax
3. Sole Proprietors, Corporations, Partnerships, Limited Liability Companies
4. New Business Startups—Don't Pay Penalties for Noncompliance
5. Payroll Tax, Sales Tax Returns Prepared
6. We'll do your books and free up your weekends
7. File on Time—Put 2009 Behind You
8. All 50 States
9. Enrolled Agent—Federally Licensed Tax Professional
10. "Peace-of-Mind" Money Back ACCURACY GUARANTEE

STILL need another reason to use KwicTax? How about...

\$50 OFF Business Return Tax Preparation Fees.

Yes, I want KwicTax to professionally prepare my business tax return* this year! (Just bring in this coupon). This offer expires 3/05/10.

Not valid with other offers WEB0224

*Business Tax Returns include Schedule C, 1065, 1120, 1120S only

Just print out this coupon and bring it to your tax appointment to save \$50.00 off the preparation of your business income tax return. See... it already pays to use KwicTax.

Together we can save you money and give you a long overdue raise.

Sincerely yours,

Elizabeth Simeone
Enrolled Agent

Thought for the day:

***As income tax time approaches, did you ever notice:
When you put the two words "The" and "IRS" together
it spells***

"THEIRS"?