

Income Tax - Quiz

- TITLE 26, Subtitle A, CHAPTER 1,
Subchapter A, PART IV, Subpart A, Sec.
24 of IRS code**

Kumar Consulting, PA

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Tax Matters

become an AACC MEMBER

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DISCLAIMER



Taxes are very complicated – please consult your tax professionals/consultants

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SMALL BUSINESS

Represent more than 99.7 percent of all employers

Employ more than half of all private sector employees

Pay 44.5 percent of total U.S. private payroll

Generate 60 to 65 percent of net new jobs annually

There are almost 28 million (90%) small businesses in the United States

Make up 89 percent of all identified exporters

Approximately 543,000 new businesses get started each month (but more employer businesses shut down than start up each month)

TAXES

Accounts Receivable Tax

Building Permit Tax

Capital Gains Tax

CDL License Tax

Cigarette Tax

Corporate Income Tax

Court Fines (indirect taxes)

Dog License Tax

Federal Income Tax

Federal Unemployment Tax (FUTA)

Fishing License Tax

Food License Tax

Fuel Permit Tax

Gasoline Tax

Hunting License Tax

Inheritance Tax

Interest Expense (tax on the money)

Inventory Tax I

Liquor Tax

Local Income Tax

Luxury Taxes

Marriage License Tax

Medicare Tax

Property Tax

Real Estate Tax

Recreational Vehicle Tax

Road Toll Booth Taxes

Road Usage Taxes (truckers)

AAACC- Tax Matters

become a MEMBER

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Tax & Non-Tax issues

Ownership and continuity changes

Legal liability protection

Federal and state income taxes

Social Security taxes

Other factors

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Business formation & structure

Sole proprietor

S Corporation

C Corporation (General Corporation)

LLC

LLP

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Tax Strategies- Small Business

- Retirement Savings - IRA Contributions
- Self Employed/Corporation Health Insurance
- Cash Vs Accrual Method
- Depreciation – Section 179 additional deductions
- Employee Vs Independent Contractor
- Payroll Taxes/ Sales Taxes
- Bad Debts
- Estimated Taxes
- EFTPS/Efile
- State, City, County Taxes

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- **Expenses: 'Criteria'**

- Business related

- Reasonable

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- **AACC membership**
- Cost of Goods or Services
- Payroll
- Rent – Home Office deductions
- Repairs & Maintenance
- Travel/mileage
- Advertisement
- Supplies, Office Expenses
- Telephone/Communication/Internet
- Taxes & Licenses

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- **International Tax Issues:**

- Income from Abroad
- Payments to Foreign Person
- Form 5471
- Form 8938 – Financial Assets
- FBAR – Reporting of Bank/Financial accounts

Small Business Big Mistakes

- **Cash balance is PROFIT**
- **Form SS4 – Federal ID – corporation/S corporation**
- **Licenses, Workers Compensation**
- **Payroll taxes, sales and other taxes**
- **Ignorance is definitely NOT Bliss**

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Small business resources

1. Small Business Administration - www.sba.gov
2. Internal Revenue Service - www.irs.gov
3. Department of Labor - www.dol.gov
4. Secretary of State/Department of Revenue
KANSAS: www.kssos.org || www.ksrevenue.org
MO: www.sos.mo.gov || www.dor.state.mo.us
5. City of Kansas City, MO - www.kcmo.org

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