

5 Tax Tips to Keep More Money in Your Pocket

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▶ Self Prepared



▶ Get help



A FEW REALITIES

REALITY-CHECK

- ▶ Audit rates up BUT mostly paper audits
- ▶ More audits for those below \$100,000 and over \$1,000,000
- ▶ Less audits for S Corporations than Schedule C's
- ▶ There is no TAX JAIL



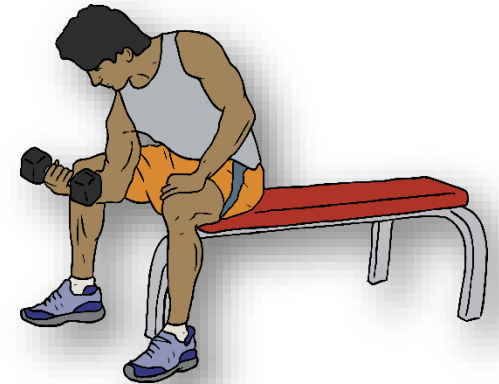
“Ordinary and Necessary”

- ▶ Exceptions ?



NOT DEDUCTIBLE

- ▶ Gym memberships
 - ▶ Club dues
 - ▶ Clothing
- ▶ Private school fees
 - ▶ Personal care
- ▶ Political contributions





1. Meals and Entertainment

- Business Purpose
- 50% Deductible if element of entertainment
- 100% Office Meals
- Receipts !



2. Auto Expenses



- Business Use vs Commute
- Mileage OR Actual expenses
- Actual expenses – receipts for anything over \$25;
- Keep a log
- Lease vs Buy (Cars and SUV's limited to \$25,000)

3. Home Office Deduction

- Regular Use/Principal place of business
- Exclusive Use – specific area used only for business
- Affects Auto expenses – commute
- Business Use %
- Actual expenses or \$5 per square foot
- Limited to net income



4. Travel



- Receipts !
- Boarding Passes/Hotel folios
- Business Purpose
- Reasonable ?



5. Recordkeeping



- Receipts
- Bank statements / Credit Card statements
- 1099s
- Bookkeeping – excel worksheets / notes / Quickbooks and others
- 7 years retention



Notes

- Don't ignore IRS or State notices
- Extension of Time to Pay Form 1127.
Additional 120 days Interest Only
- Installment Plans for Debts under \$25,000
online and quick
- Profit First ! Separate tax account.



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