

Tax Planning And Reporting

FOR A SMALL
BUSINESS



FDIC



SBA

Welcome



1. Agenda
2. Ground Rules
3. Introductions

Objectives

After completing this training, you will be able to:

- Identify the federal, state, and local tax reporting requirements of a small business and its owner, and establish a plan to account and pay them.
- Identify methods for researching the local, municipal, and county reporting/licensing requirements for a small business.

What Do You Know?

What do you know or want to learn about tax planning and reporting?



Managing Your Tax Obligations

- Get informed
- Plan
- Save



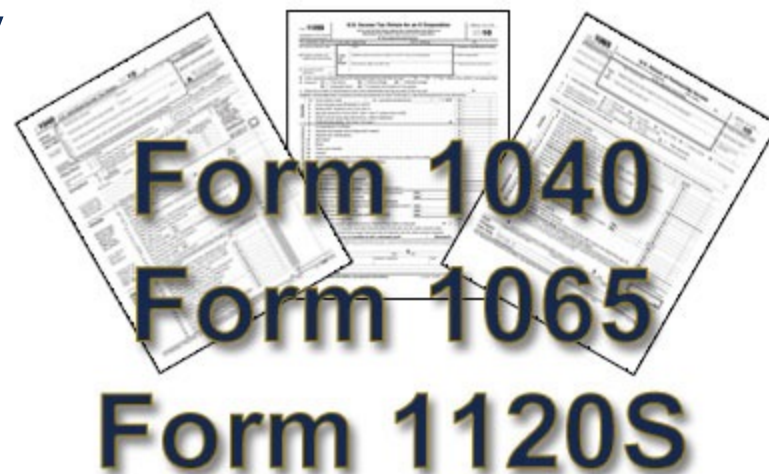
Primary Business Taxes

- Income Tax
- Self-Employment Tax
- State Income Taxes
- Employment Taxes
- Sales Tax
- Local taxes



Federal Income Tax

- Sole Proprietorship
- Partnerships
- S-corporation
- C-corporation
- Limited Liability Company



Discussion Point #1: Federal Tax Forms

Complete Discussion Point #1 in the
Participant Guide.

What federal tax forms will you need for
business?

Employment Tax and Forms

- Federal Employment Taxes
 - Employer's Annual Federal Unemployment Tax Return, Form 940
 - Employer's QUARTERLY Federal Tax Return, Form 941
- Forms
 - Employee's Withholding, W-4 Form
 - Wage and Tax Statement, W-2 Form
 - Miscellaneous Income, Form 1099-MISC

State and Local Taxes

- State/County/City Income Tax
- Permits
- Licenses
- Fictitious name permit (“doing business as”)
- State Sales Tax

Know Your Tax Obligations

- Your form of business determines how you pay income taxes
- Pay-as-you-go



Cost of Not Paying Your Taxes

Never use payroll taxes for working capital during cash flow shortages.



Money Management for Taxes

- Know when, what, and how much
- Save for taxes
- Separate accounts



Accounting Systems

- Deductions
- Bookkeeping
- Business accounting software
- Cash versus accrual accounting methods

Using an accountant

- Doing it yourself
- Accountant services
- Where to find a qualified business accountant



Services Business Accountants Offer

- Business consulting
- Personal finance advice
- Information on organizational structures
- Financing information
- Audits
- Reviewed or audited financial statements

Five Key Points to Remember

1. Get qualified advice.
2. Learn your business tax liability: income, employment, self-employment, sales and social.
3. Set money aside to cover your taxes and avoid comingling funds.
4. Have an accounting system in place to track income and expenses.
5. An accountant can help you manage your business.

Summary

- What final questions do you have?
- What have you learned?
- How would you evaluate the training?



Conclusion

- You have learned about:
 - Managing your tax obligations
 - Typical taxes a business pays: Income, Self Employment, Sales, Employment, Local.
 - The forms and processes used to pay business taxes