Are You Maximizing Your Tax Benefits?

“Lower Your Taxes – Big Time!”

Based on new book by
Sandy Botkin, CPA, Former IRS Attorney

DISCLAIMER

The following information is Not Tax Advice. Consult your tax professional for detailed information.
Introduction: Rich or Poor—Your Choice

Part 1. Wealth-Building Tax Secrets for Small and Home-Based Business Owners

Chapter 1. Why You Would Be Brain Dead Not to Start a Home-Based Business (If You Don’t Already Have One)
This chapter explains why everyone who is employed should have some kind of business, preferably a home-based business. If you don’t have one, you are losing thousands each year.

Chapter 2. How to Deduct Your Fun
How to deduct your golf, sporting tickets, movies, and plays—and audit-proof all these deductions. You will learn some IRS inside secrets related to Dutch-treat meals and learn about the great $75 exception to keeping receipts, as well as the home entertainment exception. You will be having twice as much fun if you know it’s deductible!

Chapter 3. How to Turn Your Vacation into a Tax-Deductible Write-Off
This chapter deals with how to deduct your travel and vacation expenses. It will put thousands in your pocket.
Did You Know?

Your largest expense is the **taxes** you pay in your lifetime, more than any other expenses combined. …“To get rich, you **must** get your taxes down to the legal minimum.”

If all full-time employees maximize their tax benefits in America, it will total about **$300 billion** each year.

Source: Sandy Botkin, “Lower Your Taxes – Big Time!” pp6, pp xi
“My CPA will take care of my taxes.”

Will you or your doctor take care of your health?
Will you or your CPA take care of your taxes?
Let’s see who is acting in whose best interest…

Find a CPA who is knowledgeable about home-based business.

Source: Sandy Botkin, “Lower Your Taxes – Big Time!” pp6, pp xi
Who Are Paying Most Taxes?

There are **TWO tax systems** in the United States.

One for  
Salaried Employees  

One for  
Small/Home-Based Business Owners
Pay Higher Social Security Tax
Lower Deductibles
Everything Is Taxable

Pay Tax First
Spend Later

Legally Write Off Many Expenses Thanks to the IRS & Congress
Saving THOUSANDS OF DOLLARS every year

Spend First
Pay Tax Later
Salaried Employees

$100 Income (Taxable) - $30 Taxes (30%)
$70 Spent paying bills
$0 Saved

Paid $9,000 taxes for a $30,000 annual income

Pay Tax First
Spend Later

Small/Home-Based Business Owners

$100 Income
- $70 Spent paying bills
$30 Taxable Income
- $9 Taxes (30%)
$21 Saved

Paid $2,700 taxes, Saved $6,300 for a $30,000 income

Spend First
Pay Tax Later
What Business Maximizes My Tax Savings?

“Everyone who is employed should have some kind of business, preferably a home-based business. If you don’t, you are losing thousands each year.” …

If you work with people, many activities qualify as business activities if you have asked for referrals or shared business ideas.

Source – Lower Your Taxes
Why Start a Home-Based Business?

1. Job security is now an illusion.
2. Companies downsizing, outsourcing & capsizing
3. Extra income is needed for everyone to make ends meet.
4. “A home-based business will make you better off than a second income”

Source: Sandy Botkin, “Lower Your Taxes – Big Time!” pp3
Typical Tax Savings for Home-Based Business

- Home Office Deduction
- Seminar Cruise Trip Deduction
- Business Use of Vehicles (Business Mileages)
- “All food or beverages served to prospects are 100% deductible if provided at home during a sales presentation or sales seminar.”

- Lower Your Taxes pp20
More Tax Savings for Home-Based Business

• Cost of Training/Education/Meetings
• Living & Travel Expenses Away from Home
• Office Expenses (PCs, printers, Accessories, supplies, cameras, cell phone, internet, TV & DVD player, recorders, printing, postage, ipod, Team Building Parties, Pre-Trip Accommodations, etc.)
• Business Gifts, luncheons, Promotion & Advertising Expenses (dresser)
• Cost of Samples (supplements), Literatures & Tools
• Cost of trying out products to obtain personal testimonials
• Cost of makeup to promote the cosmetic products
• The list goes on and on…
Section 162

In general – There shall be allowed as a deduction ALL the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business.

Pub 1.

As a tax payer you can plan your business and personal finances in such a way that you will pay the least tax that is due under the law.

Source: www.irs.gov
Before owning a home-based business
Driving to the bank or trip to visit friends would be classified as personal expenses by IRS

After owning a home-based business
Driving to the same bank if also deposited business checks would qualify as business mileages.

Cost of trip to visit the same friends would qualify as business expenses by IRS if you mentioned your business and asked for referrals.
Are You Catching the Wave?

“Currently 37 million Americans working from their home” – Lower Your Taxes

Every week about 175,000 new people in the U.S. are starting their home-based businesses – Business is booming

“Forget your paycheck; your W-2 days are over. It’s a 1099 world now” – Fortune Magazine
Summary

If you don’t have a home-based business, ask the person who invited you to this seminar how to start one that will not only help you with significant tax savings but will also provide you with a plan B for retirement.

Start Saving TODAY & Invest for Your Future!