

ROUTE 422 BUSINESS TAX PLANNING AND PREPARATION SERVICES GUIDE

Tax planning and preparation is an ongoing, year 'round process. As the April 15 tax filing deadline approaches, now is a good time to think about the value of professional tax planning and preparation services. To that end, we asked several leading tax planning/preparation firms to share their approach to providing these essential services to businesses.

Small Business Tax Return Tips & Pitfalls



By Anthony Mazzo; A. Mazzo Accounting Services

It's a brand new year and the beginning of tax season. Yippee!!

While some are already knee-deep in their taxes, others, including small business owners, are in the midst of their tax preparations. If you are one to file your own taxes, here are a few tips to keep you from falling into the most common pitfalls when filing your return.

Missed deductions. The most common pitfall. Let's start with small deductions and work our way up. Those office coffees, cab fares, petty cash expenses and client lunches and things often paid with small amounts of cash, can add up rather quickly and ARE deductible. Save your receipts for these and

other small business expenses and you'll be surprised how much you can claim.

Mileage deductions. This can often be confusing for business owners. It is a deductible driving expense if you travel from your office to a business related meeting or

event. Same if you have a home office for which you claim a tax deduction and travel from there to see a customer or client. However, if you're an employee of a business and travel from your home to your office, this is a personal expense and is non-deductible.

Health Care Insurance. Small business owners and sole proprietors often forget to deduct the cost of health care insurance, a legitimate business expense and therefore a legitimate deduction. Since many small business owners are paying in excess of \$1,000/month for health insurance, missing this tax deduction can be extremely costly.

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Tax Time Got You Stressed?

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Retirement Plans. Depending on your retirement plan, your contributions can be deductible. Since there are many different plans with many different rules, tax preparers many times do not take full advantage of this benefit by maximizing the deduction. In this instance, the advice of a tax professional is highly recommended.

Property Ownership. This can be a little tricky as to what constitutes 'repairs and maintenance' versus 'improvement' to your property. The cost of repairs or restorations to a deteriorating part of your building is a tax deductible expense, while an improvement, such as a new addition to your property is not.

Perhaps the most important piece to remember when you're filing your return is to not mix personal and business expenses. For example, remember to keep your business driving mileage separate from your personal mileage as this will avoid confusion and save a lot of time when trying to identify which is which at tax time.

If you're at all hesitant about filing your own tax return, you may want to consider hiring a tax professional. Peace of mind may well be worth it and the cost may be less than you think. Ask your accountant if tax preparation services may be included in a package of other business services you may already be paying for.

Spring Into Tax Day

By Sheila Nester,
Sheila Nester & Associates, P.C.

Don't think of April 15th as a day of sorrow, an awful day, or a demanding stressful task in that of attacking your dreadful tax return preparation. Think of it as a few moments closer to the warm sunny days of spring and welcome the pretty blooms and sweet smells that permeate the air. Preparing is half the battle when it comes to reconciling income and taxes at year end; so just as you prepare the soil for a beautiful flower or vegetable garden, be prepared throughout the year for what the results of this day may bring.

Major tax law changes hit every taxpayer for the 2018 tax filing year. The effects of the changes brought both negative and positive outcomes. In preparing for the 2019 filing season, changes should have been made in order to lessen the tax burden or even the adverse. Some of the changes should have been visiting the HR department to adjust the current filing status for payroll purposes, increasing contributions to retirement programs for a higher pre-tax deduction, or at the very least if no other

options exist, make those estimated quarterly tax payments to lessen the liability to be paid by April 15th.

Get busy gathering documents and making lists to be prepared for tax appointments or for self-prepared returns. Work hard to accumulate every document and don't leave any applicable deduction untaken. The days are cold, and the nights are colder, so sit by the fire and get organized. The deadline will feel less like a deadline if you are prepared and aware.

If the thoughts overwhelm you, we are happy to help. Our staff is well trained to handle any and all of your tax preparation needs and questions you may have. Call 610.367.9372 to set up your tax appointment!



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Behind Exciting Long-Term Business Growth is a Boring Bookkeeper...



**By Beth Breslow,
Breslow's Bookkeeping
Business**

The end of the year is a busy time for many reasons. Holidays, travel plans, and family visits consume most of our days starting in November through January 1. But as a small business owner, there is even more you have to handle at the end of the year.

Right now is the time of year when your business really needs your attention, especially in regards to accounting. Doing so not only helps you close out the current year on a high note, but it also sets you up for starting off the next year on the right foot.

Is your business on par with the following accounting tasks?

• **Monthly bank, credit card and loan reconciliations** — For the year-end, it is important to make sure what you show on your financial statements matches up with your bank and credit card accounts and your year-end statements.

• **Reconcile your accounts receivable and accounts payable** — There is a tendency to forget to collect on your invoices if you do not use invoicing software. Without a good collection system like Quickbooks, you may be missing out on money you are owed.

• **Gather and Organize Your Receipts** — It is important to gather and organize your business-related receipts.

A shoebox full of receipts is the last thing your CPA wants to see. There are many apps available to download, which will simplify this.

• **Check Payroll** — A few common areas to watch out if you're worried about end of year accounting are withholding taxes for fringe benefits, deferred compensation, and end of year bonuses.

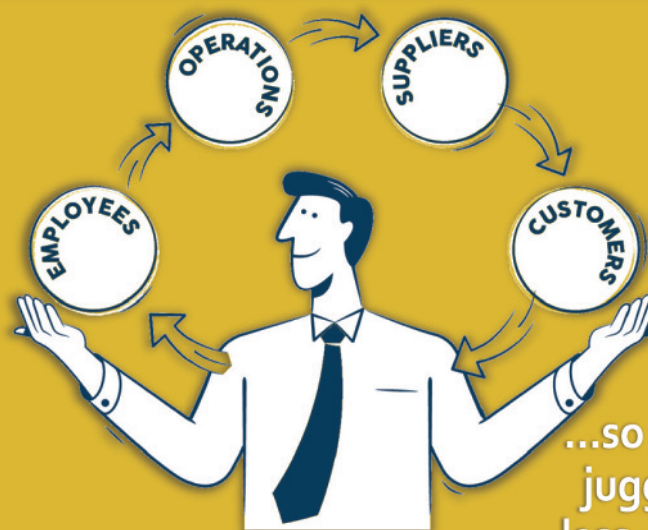
• **Collect W-9s** — Did you use vendors this year? If so, you will have to collect W-9 forms for some of them. The W-9 form can be used as a paper trail for the IRS to track your expenses.

For every vendor that you have spent \$600 or more for services, you are required by law to issue and complete a 1099 form. The 1099 must be filled out and sent to the IRS by January 31st.

• **Take Physical Inventory** — For some of you, there is no need to take physical inventory. For others, getting an accurate account of your inventory is important. You will want to match it with your end of year balance sheet. It will also be helpful for your bookkeeper, especially to know how much you have spent on inventory throughout the year and its current value.

If the above-mentioned tasks are a foreign language to you, or if you know that there is not enough time in the day to tackle this checklist, call Breslow's Bookkeeping Business at 215.272.5217 today; email: bethbreslow@gmail.com; and visit: www.breslowbookkeeping.com.

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Business owners wear many hats and can find it stressful to juggle all of the priorities and demands of their organizations. At Ruhl & Associates LLC, we believe in taking the stress out of accounting so that business owners can focus on their core business objectives. Outsourced accounting services can save a business time, money and the worry of managing an accounting department.

Accurate financial information is essential to the long-term success of any business, large or small. The most basic need is a clean set of books and records so your CPA can prepare a tax return efficiently and without costly "clean up" work at year end. This cost can be minor, however compared to the cost of bad business decisions based on unreliable financial information.

As a company grows, a business owner needs more than just a clean set of records to meet the compliance requirements of the IRS, board of directors or their banker. Properly designed accounting and reporting systems should provide information that is critical to making sound and strategic business decisions.

An outsourced controller can provide the analytical data that is crucial for making confident decisions and improving bottom-line profitability. This may involve areas such as job cost accounting, cash flow forecasting, inventory control, analyzing overhead and labor burden costs, and financial forecasting and budgeting. Outsourcing provides business owners an alternative to hiring a full-time accountant or controller until it is necessary.

Ruhl & Associates LLC has been providing bookkeeping, accounting and controller support to business owners and non-profits since 2001. Our mission is to provide reliable and relevant accounting information at the lowest possible cost. Our clients have the information they need to make good business decisions without the stress of managing full-time accountants.

Please visit our website www.ruhlassoc.com, call 610.678.0791 or email us at info@ruhlassoc.com to find out how Ruhl & Associates LLC can serve your bookkeeping, accounting or controller needs.



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