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HUMAN RESOURCES & PAYROLL

Freelancers Get Tax Help with QuickBooks Self-Employed

Filing taxes can be daunting, especially for those with complicated tax situations, such as small business owners or freelancers. That's where Intuit's QuickBooks Self-Employed comes in.

Taija Sparkman • Mar. 04, 2015



Filing taxes can be daunting, especially for those with complicated tax situations, such as small business owners or freelancers. Taxpayers who work for others have their taxes taken out of each paycheck. But, those who work for themselves? They are responsible for making sure they pay the correct amount in taxes.

How do they know how much they owe in taxes? That's where Intuit's QuickBooks Self-Employed (<https://selfemployed.intuit.com/oa>) comes in. The newest solution in the QuickBooks ecosystem is designed from the ground up to meet the unique needs of freelancers and the self-employed. Since its beta launch last fall, QuickBooks Online Self-Employed has helped entrepreneurs manage more than \$50 million in business expenses.

In the past few years, there has been a huge shift in the workforce, as historically classified employees ventured into freelance work or even fulltime self-employment.

“With companies and sites making it easier for people to find work on the side, more people are jumping onboard the freelance train. These people are no longer employees, but are now businesses according to the IRS. However, they are usually unprepared from a tax standpoint and there aren't any offerings that target this particular market. We wanted to create a solution that makes it easy for them to understand how much money they make and how much they should take out for taxes,” said Joe Callinan, Senior Product Manager, QuickBooks.

QuickBooks Self-Employed gives independent contractors a comprehensive view of their business transactions to see how much money they really made. Users can securely connect all of their business-related accounts using bank-grade encryption. Once set up, they are able to label each transaction as personal, business or both, allowing them to see how much of their cash flow is related to their business.

As transactions are entered, QuickBooks Self-Employed uses Form Schedule C to categorize each transaction according to IRS standards and calculates the amount of quarterly and year-end taxes owed. Users can also track deductions, such as miles driven and other business expenses for self-employment business.

“Half of our users' clients are self-employed and we have accountants and ProAdvisors who tell us that getting their clients to keep track of and organize all of their transactions is one of their biggest pain points. We needed to create a solution that was ‘so simple that people would actually use it.’ QuickBooks Self-Employed is really about giving our customers a simple way to enter their data, while we

categorize and organize everything and tell them when and how to pay their taxes,” said Callinan.

In addition to rolling out a new product for an underserved market, Intuit is teaming up with several companies in the on-demand industry to make QuickBooks Self-Employed even more accessible to independent contractors. Lyft and HourlyNerd can now offer free versions of QuickBooks Self-Employed to their on-demand workers.

Intuit has also partnered with Stripe to offer integration for businesses that use Stripe for payment processing. As part of the integration, payments processed through the Stripe payment platform will automatically sync with QuickBooks Online Self-Employed, eliminating the need for manual data entry. Users will also have the ability to seamlessly send their data to TurboTax Online to file their year-end taxes.

Users who receive the free version through their on-demand company will also have the option of connecting additional bank and credit card accounts to benefit from the full feature set of QuickBooks Online Self-Employed all year round.

“Self-employed people are worried about how many taxes they owe; employees generally don’t because they know someone else is taking care of it. That’s why QuickBooks Self-Employed was designed with the freelancer in mind. We are making it easy for them to manage their business and personal finances and handle taxes throughout the year,” said Callinan.

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