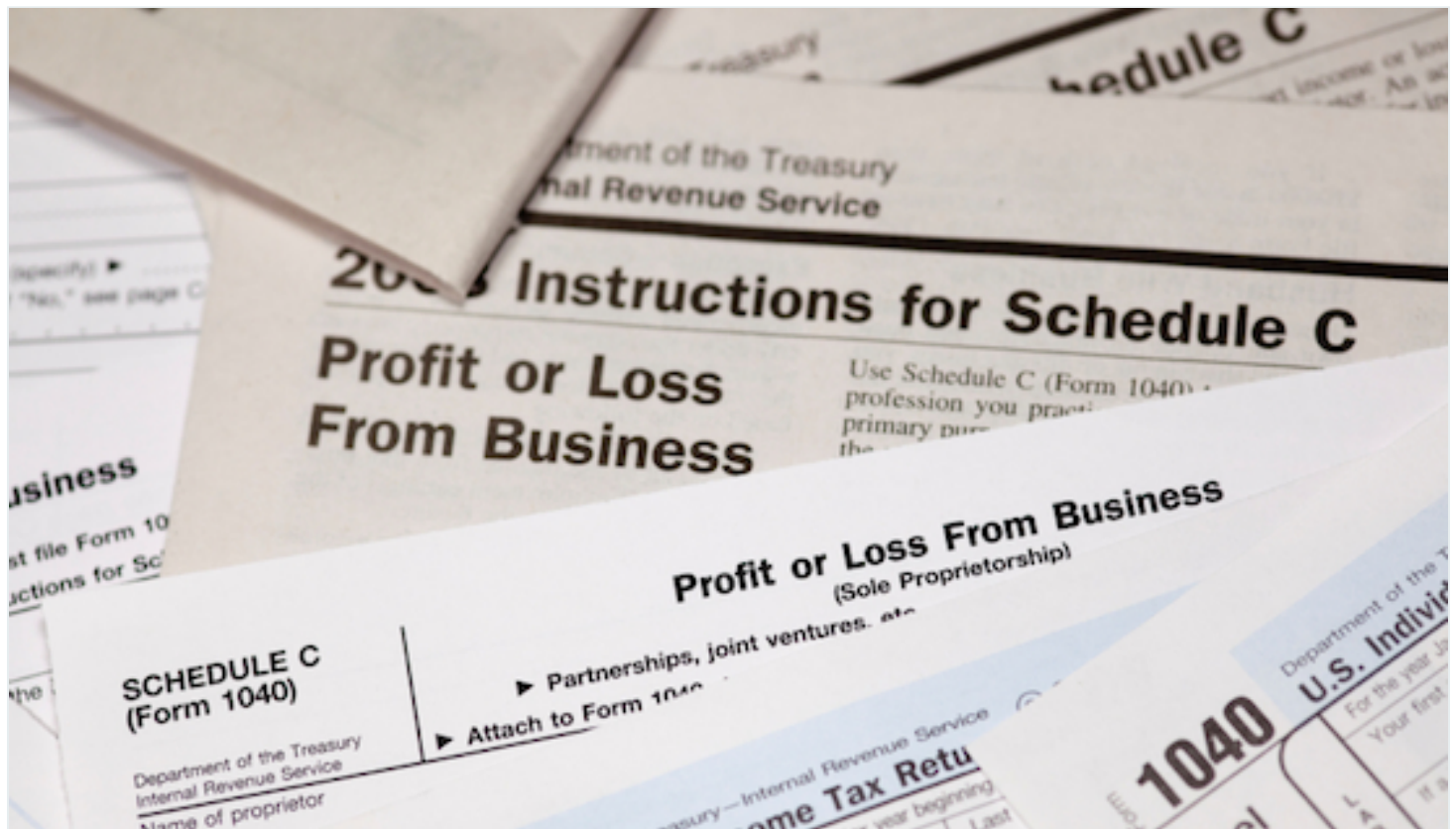


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Sep. 13, 2016



Since you can't get away from taxes, the best thing to do is be prepared for them. If you own a small business, taxes become a bit more complicated, but there are several ways to make sure tax time is less stressful.

Read these tax tips for small business owners.

### **Think Taxes Year Around**

Thinking about your taxes all year does not seem to be a way to avoid stress but in reality, tax planning is a year-round activity when you run a small business. If you keep up with documentation and recording requirements throughout the year, you are more likely to arrive at tax time with the right paperwork ready to go.

It is also easier to take advantage of tax savings and deductions over the course of

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## **Keep Up with the Tax News**

It may seem that the legislature does nothing but laws do get passed every year. You need to keep an eye on happenings in the federal government that can impact your tax liability and business organization.

For example, the Affordable Care Act is still rolling out. As of 2015 it applied to businesses with 51 to 99 employees and carried stiff penalties for failing to provide health insurance to employees. Penalties also applied if you did not report the type of coverage you provided.

Taxation of online sales is still winding its way through Congress. You need to monitor the situation, so you know if it becomes law and how it could affect you if you are an online seller if you gross more than \$1 million annually.

The Section 179 Property Deduction was extended but not made permanent. It allows business to deduct the full amount of eligible property as expenses in the year the business began using it. "Property" includes any property used in manufacturing, transporting, and producing goods, any facility used for business or research, or any buildings used to hold livestock or horticultural products.

Tax laws change all the time; keep up with the business news for ongoing legislation or last minute tax breaks. You know what they say about people who assume, I will not spell it out here.

## **Leverage Tax Preparation Tools and Expertise**

Most of the personal income tax preparation software applications include business tax options as well and are typically geared for small business or self-employment.

The IRS has also gone to great lengths to provide material on its website that is easy

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guidelines geared toward businesses, and the all-important filing and payment dates.

Some things to keep track of include:

- Filing payroll tax forms
- Sending 1099 forms to your contractors
- Assembling income and expense records
- Renewal for liability insurance

You can find tax organizers and worksheets online, or your tax professional may have one for you to use.

### **Avoid These Common Mistakes**

There are a couple of mistakes small business owners tend to make that can cause trouble down the road.

- One is thinking your tax professional will assume responsibility for all your tax needs. You cannot assume everything has been done appropriately because, again, you know what they say about “assume.”

No matter who prepares the taxes, you are still responsible for all the information on the return and the taxes owed.

- Another mistake is allowing fear of the IRS to keep you from taking legitimate deductions. If you work with a reputable tax professional or online tax preparation service, you should be given appropriate guidance on your eligibility for each available write-off.

There you have it. Keep taxes in mind all year, keep up with changes and news, leverage reputable tax tools and professionals, and avoid common mistakes and your

tax time stress should be reduced significantly. As a bonus, you will save yourself

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