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With the recent tax changes, small business owners need to revisit dated strategies

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want to reap the benefits of new tax policies.

With this in mind, Meisa Bonelli, Senior Tax Professional of Millennial Tax (<http://www.millennialtax.com>) – the leading provider of tax preparation and tax education for solopreneurs, freelancers and micro-small businesses, offers the following 3 tax planning tips business owners should heed:

### **1) Reconsider Your Business Entity**

Small business owners that operate under an LLC or S-corp entity have typically chosen those entities to operate their businesses under because of the past tax rates on pass through income was taxed at a lower rate and they could avoid double taxation with a C-corp. However, now that the corporate tax rate has been lowered to 21% down from 35%, solopreneurs, freelancers and micro-small business owners may want to review and reconsider if a pass-through entity is serving their short and long-term business objectives. For instance, if a business now sees the opportunity to raise capital from foreign investors and was previously operating as an S-corp, now is the time to meet with their attorney and tax professional to see if a C-corp or other entity would be more of an ideal fit for their objectives.

### **2) Substantiate**

For business owners that want to maximize the new pass-through deduction, substantiating their expenses will play a crucial role in their recordkeeping. Substantiating expenses include: writing who a small business owner dined with for business meal expenses, digitizing receipts so that they remain legible if ever requested by a tax authority, and not relying *solely* on bank and credit card statements as proof of business expenses. It's not the IRS' job to figure out what's on your tax return. Chances are if a tax authority is taking the time to do so, it's more than likely to exclude deductions and factor more of your claimed expenses into income, not the other way around. Make it easy on them by doing the work ahead of

time and they'll make it easy on you by allowing you to have your substantiated

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accounting or bookkeeping software makes things simpler and readily accessible as most have mobile apps. But small business owners need to understand that no software works if they're not going to do the bookkeeping work. If a small business owner equates getting their teeth pulled at the dentist with doing the company's books, it's high time to hire a tax professional.

If trying to figure out the 20% pass-through deduction versus the 50% computation (if W2 wages are applicable) or digitizing receipts, and creating lofty spreadsheets sounds like a headache, small business owners should hire a trusted tax professional. Since the game has changed, the savviest small business owners will play offense by planning with a competent tax professional, rather than using reactive tax strategies of the past. Preparedness is what will ultimately fuel profitability for solopreneurs, freelancers and micro-small businesses in this new tax era of tax change.

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Meisa Bonelli is the Senior Tax Professional at Millennial Tax and is recognized as a leading tax strategist for solopreneurs, freelancers and micro-small business owners and is a media expert on tax issues. She has been featured by U.S. News and World Report, CNN Money, and The Associated Press. Her blend of flair with seasoned experience in private equity has made Meisa a multilingual phenomenon being able to communicate across generations from millennials to baby boomers.

Meisa has gained a reputation as a gladiator and is called the "Liv Pope" of tax for helping high net-worth individuals discretely solve huge tax burdens. This exclusive service is offered through the highly selective 5<sup>th</sup> Avenue Associates. At Millennial Tax, she teaches solopreneurs tax savings, tax compliance and how to stay out of hot water with the IRS.

Meisa is a member of the National Association of Tax Professionals and has just

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