



LatinoTaxPro.org
Latino Tax Professionals Association

A Small Business Guide

Sole Proprietors & Rental Property Owners

Welcome!



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Executive Director

You have chosen to provide products and/or services to the public. We were all beginners at one time. We hope this packet provides you with a useful summary of what you need to get started.

Starting your own business, applying for a business line of credit, purchasing rental properties, etc., can be confusing and puzzling. In this packet we have included a Things to Do Checklist, an Income and Expense worksheet, a Forecast Worksheet and some helpful websites.

We highly recommend that you seek professional help from a local Enrolled Agent, Certified Public Account or attorney who specializes in small business matters. Ask your friends, family or fellow business owners if they know someone who has helped them. The cost of a competent professional is an investment in the long run.

This packet is not intended to replace the help you can get from qualified professionals; instead, it is intended to guide you through the maze of local, state and federal agencies to help get you started.

Latino Tax Professionals Association's mission is to provide knowledge, community and professionalism to all business owners who serve the Latino market. We have been preparing tax returns and representing taxpayers before the Internal Revenue Service for over 35 years.

Please feel free to contact us if you have any further questions at 866.936.2587 or info@latinotaxpro.org

Entrepreneur Tip

“Follow your **passion**,
not the money,
the money will end up following **you**.”



7 Tax Tips for a New Business Owner

1

First, you must decide what type of business entity you are going to establish. The type your business takes will determine which tax form you have to file. The most common types of business are the sole proprietorship, partnership, corporation and S corporation.

2

The type of business you operate determines what taxes you must pay and how you pay them. The four general types of business taxes are income tax, selfemployment tax, employment tax and excise tax.

3

An Employer Identification Number is used to identify a business entity. Generally, businesses need an EIN. Visit IRS.gov for more information about whether you will need an EIN. You can also apply for an EIN online at IRS.gov.

4

Good records will help you ensure successful operation of your new business. You may choose any recordkeeping system suited to your business that clearly shows your income and expenses. Except in a few cases, the law does not require any special kind of records. However, the business you are in affects the type of records you need to keep for federal tax purposes.

5

Every business taxpayer must figure taxable income on an annual accounting period called a tax year. The calendar year and the fiscal year are the most common tax years used.

6

Each taxpayer must also use a consistent accounting method, which is a set of rules for determining when to report income and expenses. The most commonly used accounting methods are the cash method and an accrual method. Under the cash method, you generally report income in the tax year you receive it and deduct expenses in the tax year you pay them. Under an accrual method, you generally report income in the tax year you earn it and deduct expenses in the tax year you incur them.

7

Visit the Business section of IRS.gov for resources to assist entrepreneurs with starting and operating a new business.

The IRS Small Business and Self-employed Tax Center at <http://www.irs.gov/businesses/small/index.html> has more information about starting and operating a new business.



What Do I Need to Start?

Important Documents

- ☐ Business License
- ☐ Fictitious Business Name Statement
- ☐ Health Permits
- ☐ Establish a business checking account
- ☐ Local Zoning Ordinances
- ☐ Reseller Permits-state sales tax agency
- ☐ Business Loan Documents
- ☐ List of Assets

Insurances for:

- ☐ Equipment
- ☐ General Liability/Hazard
- ☐ Error and Omissions
- ☐ Employees Workers Compensation
- ☐ Business Auto

Track Expenses

- ☐ List of Equipment with Purchase/In-Service Dates
- ☐ Income/Expense Statement
- ☐ Forecast Spreadsheet for Loans

Hiring Employees

- ☐ Employer Identification Number
- ☐ State Employment Agency



Find More Useful Information Here

- www.irs.gov
- www.bizstats.com
- www.paychex.com
- www.score.org
- www.adp.com
- www.sba.gov



Visit www.latinotaxpro.org
Sign up for our
Free Tax Pro Toolkit

Includes: Financial Tools & Worksheets

Business Assets Worksheet

List Your Business Assets and Business Real Estate

Description	Purchase Date	In-Service Date	Purchase Price	Financed Amount

Income/Expense Worksheet

Business Name _____

Month/Year _____ / _____ Total Sales \$ _____

Ending Inventory \$ _____ Cost of Goods Sold \$ _____

Wages	
Payroll Taxes	
Advertising & Promotions	
Bank Service Charges	
Car & Truck (Total Miles/Business Miles)	
Car & Truck (Actual Expense)	
Commissions Paid	
Depreciation	
Dues & Publications	
Freight & Postage	
Insurance (List Types)	
Laundry & Cleaning	
Leased Equipment	
Meals & Entertainment	
Office Expenses	
Outside Labor	
Permits & Licenses	
Rent	
Repairs & Maintenance	
Seminars/Education	
Supplies	
Taxes (List Types)	
Travel	
Utilities & Telephone	

Provide a list of all equipment purchased, leased, finance agreements, contracts, etc. during this time period. You must maintain a beginning and ending odometer reading on your vehicles.

Rentals Worksheet

Bring this information for each rental

Rental Address _____

Rent for the year \$ _____

Expenses

Advertising

Repairs

Auto & Travel

Refunds

Cleaning/Maintenance

Supplies

Commission

Taxes

Insurance

Sewer

Legal & Prof Services

Other

MUST PROVIDE BUYERS HUD -1 SETTLEMENT STATEMENT FOR
ANY NEW PURCHASE OR REFINANCE OF YOUR RENTAL(S)

Sales Worksheet

Business _____ Month _____ Year _____

Date	Taxable Sales	Labor Sales	Resell Sales	Other Sales
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
Totals				

How Would You Rate This Fiscal Year?

Year_____

Rating System 1 = Disaster 5 = Brilliantly Successful

Sales Growth	1	2	3	4	5
Profits.....	1	2	3	4	5
Gross Margin	1	2	3	4	5
Unit Sales/Billable Hours.....	1	2	3	4	5
Cash Flow.....	1	2	3	4	5
New Business Development.....	1	2	3	4	5
Customer Retention	1	2	3	4	5
Customer Service	1	2	3	4	5
Employee Retention	1	2	3	4	5
New Products.....	1	2	3	4	5
Mgt Team Execution.....	1	2	3	4	5
Business Plan Effectiveness.....	1	2	3	4	5
Impact of Budgets	1	2	3	4	5
Qualtiy.....	1	2	3	4	5
Environmenntal Consciousness	1	2	3	4	5
Overall Rating	1	2	3	4	5

Start Planning for Next Year

What will make next year better?

- ☐ Economy
- ☐ Technology
- ☐ Availability of Capital
- ☐ Mgt Team Execution
- ☐ Status in Industry
- ☐ Momentum
- ☐ Advertising
- ☐ Marketing
- ☐ Sales Team
- ☐ Operations

- ☐ Controls/Procedures
- ☐ Internet
- ☐ Training
- ☐ Planning
- ☐ Budgets
- ☐ Competition
- ☐ Other_____
- ☐ Other_____
- ☐ Other_____

What do you want from your planning efforts?



Want to network with other like minded entrepreneurs?

Join us at Latino Tax Fest in Las Vegas!

August 8th, 9th, 10th



- Learn how to grow your business
- Meet successful entrepreneurs
- Speak directly to the SBA & IRS

Learn more at www.latinotaxpro.org

Contact Us

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