

A Small Business Guide

Sole Proprietors & Rental Property Owners

Welcome!



Carlos C. Lopez, EA 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 Reve-nue 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 en



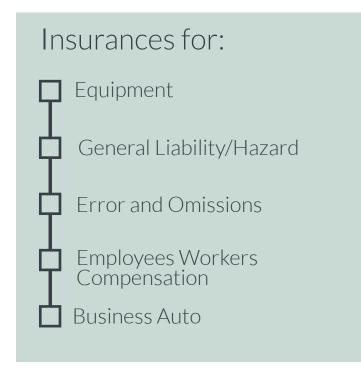
the money will end up following you."

7 Tax Tips for a New Business Owner

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

Important Documents

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



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





Find More Useful Information Here

- www.irs.gov
- www.paychex.com
- www.adp.com

- www.bizstats.com
- www.score.org
- www.sba.gov



Visit www.latinotaxpro.org
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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 Amo	unt

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				
Deprecition				
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 \$		

Fynancas

Lxperises			
	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

How Would You Rate This Fiscal Year?

Year_____

Rating System 1 = Disaster 5 = Brilliantly Successful

Sales Growth	12345
Profits	12345
Gross Margin	12345
Unit Sales/Billable Hours	12345
Cash Flow	12345
New Business Development	12345
Customer Retention	12345
Customer Service	12345
Employee Retention	12345
New Products	12345
Mgt Team Execution	12345
Business Plan Effectiveness	12345
Impact of Budgets	1 2 3 4 5
Qualtiy	12345
Environmenntal Consciousness	12345
Overall Rating	12345

Start Planning for Next Year

What will make next year better?

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

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