



# Smart Tax Planning

*What Impact Can A Home-Based Business Have On Your Taxes?*

**April 15th**

April 15... the day that most American's look towards with doom.

***Are you one of them?***

➤ Are you sick of working hard every day, and having to give such a large percentage of that money to the government?

➤ Do you wish that you could find a way to beat the IRS, but **LEGALLY?**

If so, you are one of millions of Americans who wish that there was a better way to capitalize more on the money they make, rather than seeing such a large portion of it disappear before it ever even hits their bank accounts.

There is an under-utilized solution to this problem. I want to take the opportunity to educate you about the benefits that a home-based business can have on your tax burden.

When thinking of the benefits of a home-based business, many people first think of the following:

- ◆ Financial Gain
- ◆ Independence;  
not having to rely on a boss or a company to provide you with everything that you need
- ◆ Sense of Self-Worth and Accomplishment

**Have you ever thought of a home-based business as a venue for Tax Relief?**

Most people do not realize just how much money they can save by starting a home-based business. Obviously, the goal is for you to make money with your home-based business, but even

if it does not turn a profit right away, you can still benefit from the mere fact that your business exists and that you are attempting to turn a profit.

Also, your home-based business does not have to be a full-time venture. It is something that can fit into your current daily life. You can continue to do what you are doing today, and add a home based business into your focus. Eventually, your goal can be to replace (and greatly exceed!) the income that you generate from your "j.o.b."

The fact is that most people still struggle with finances, but there are things that you can do legally to ease that burden. If you operate your own home based business, then there are many deductions you will be able to take every year that will dramatically lower the amount you have to pay to the IRS in taxes.

I recommend that you consult an accountant to find out exactly what you are legally able to deduct for your home-based business. But, to give you an idea of the possibilities, the following is a list of deductions that will be available to you if you have your own home based business:



### **Home Office Expenses:**

Deductible business expenses can include a portion of your rent or mortgage, real estate taxes, utilities, insurance, painting and repairs. The actual amount that you can deduct depends on the percentage of your home used for business. You can figure the percentage of your home expenses that are deductible by first figuring out the percentage of your home that is used exclusively for business.



### **Travel Expenses:**

You can also deduct your travel expenses. These deductions include things such as airfare or other transportation costs as well as your hotel or other lodging expenses. There are limitations on deductions for meals. The best part is that if you do your planning properly, you can mix pleasure and business and still get the benefit of a deduction.



### **Entertainment Expenses:**

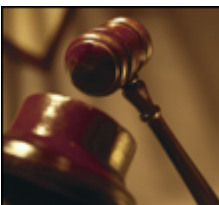
Meals and Entertainment Expenses:

You can deduct 50% of the cost of a meal in a restaurant, or an entertainment/sporting event like a concert or a football game as long as business takes place before, during, or soon after the event.



### **Depreciation Expenses:**

You can take a deduction for property you purchase for your business that is intended to last for more than one year. This might include items such as computers, office furniture, and machinery. You are not required to depreciate long-term business property because if you prefer, you have the option of deducting the entire expense in a single year instead of spreading it out over several years.



### **Professional Services Expenses:**

You may need help getting your business established as well as assistance to keep it running properly. Fortunately, you can deduct any fees that you pay to attorneys, accountants, consultants, and any other professionals related to the operation of your business.



### **Advertising Expenses:**

The old adage goes: ***"Early to Bed, Early to Rise... Advertise! Advertise! Advertise!"*** The key to any business is your ability to advertise. There are countless ways to advertise for free, especially with the advent of the Internet. However, the operation of any successful business will eventually lead to the spending of advertising dollars. Any advertising that you do will count as a business expense, and therefore can be deducted.



### **Taking a Loss:**

The majority of home businesses do not turn a profit right away, which means that it is entirely possible that your home business expenses may exceed your income. You may not deduct more than you make in any one tax year, but you may carry a loss over to the next year if it cannot be used in the tax year in which it occurs.

## Starting Your Own Home Business

Right here at this website, I am offering you information about a business that you can operate from the comfort of your own home that is truly changing lives, including my own. You can take advantage of this opportunity to start your own home based business and also begin to capitalize on all the tax benefits of being a home-based business owner.

As you have read here today, there are many tax benefits you can receive just by starting a home based business, and you do not even have to turn a profit immediately to take advantage of these benefits. The tax advantages of a home based business are so great, that the idea of starting your own home based business is one you should take into serious consideration.