



In this episode Eric & Melissa some Year-End tax strategies

End of the year taxes can be something to look forward to. Be sure you are working with your bookkeeper to have everything reconciled and organized to make it a breeze. Review with your Bookkeeper or Accountant to ensure everything makes sense.

Income. Ensure all the things recorded under your income are actually income, exclude your rebates and such because that is non taxable income.

Credit Card Transactions. Review personal credit card statements for any transactions made with your credit card that are business expenses. You may have accidentally used your personal card for a business expense, or business card for a personal expenses.

Review Owners Pay for business expenses.

Rules for taxes are always changing so verify that you are keeping up with all the new changes. At the end of the year looking to maximize how your company can develop less tax liability is important.

Vehicles. Talk to your tax professional. Considering purchasing a new vehicle? If you decide you want a new vehicle it is better to get another vehicle than to replace it. If you do decide to trade in a vehicle that you paid off in the year you purchased it and the dealership gives you money for trade for the vehicle, your tax preparer must account for the depreciation.

A yes to using your Credit Card. Using the method of buying things on credit is very useful. It is similar to prepaying expenses on the safe harbor rule. This means paying off something for the future year in the current year with credit so you can write it off for that current year but make the payments back to your credit in the coming year.

For commercial property owners, year end property improvement should do quips. If you are not the owner of the property but have a business in the property and do leasehold improvements be certain your tax preparer is informed on it.

Charitable Donations. If you are a business giving to charities rules vary based upon your business entity type. If you are an S-Corp anything you give is not necessarily a business deduction, it pops up on your K1 as charitable donations and gets transferred to your personal taxes.

Be sure you itemize, if you do not then charity donations are not recommended. But the way to still give to a charity that is local without "donating" is by sponsoring. And by this you can write it off as advertising and marketing.

Eric & Melissa Broughton are Co-Owners of Busy Bee Advisors a Northern California Based Tax and Accounting Firm specializing in helping their client to pay their fair share in taxes. They are also hosts of the popular podcast **The Real Buzz: Taking the sting out of Taxes** (available to download on all major podcast platforms). Melissa is proud to be the author of **Busy Bee Advisors Guide to Basic Bookkeeping** and **The 4-Hour Bookkeeper** both titles are available at INeedBookkeeping.com

To schedule a consultation visit BusyBeeAdvisors.com