



Question: I own a small consulting firm. I currently file as a sole proprietor (Schedule C filer) and I work from a home office. I am married with two children under the age of 18. I currently file my taxes jointly with my spouse. We own some stock as well. What are some tips you can give me for saving on my taxes?

Answer: First, they need to make a business asset list of things they own such as electronics. By making his list you can think of things that if you did not have your business would not survive like the internet, your phone, etc..

Second, getting an accurate and up to date P&L will help you to know if you are overspending, fraud, and so many other things.

Third, Consider forming a corporation and getting out of a schedule C is also a very good way to reduce tax liability. Setting-up a corporation will prevent you from losing money. If you are filing as a sole proprietor you are paying self employment taxes you are losing 15.3% of your profit because you are basically getting double taxed with taxes you should not have to pay.

Fourth, make sure you are reimbursing yourself for Rent. You should be reimbursing yourself for rental spaces for your business and it often gets overlooked. Also, if you work from home confirm that the things you are paying as personal expenses aren't actually supposed to be business expenses and be sure you are taking inventory of your business assets like computers, phones, internet, storage equipment, etc. The importance of keeping track of assets for your business assets is because it reduces your tax liability.

Fifth, hire your kids. You can pay your kids for doing simple things for your business and be saving them money for college while also reducing your taxes.

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 NeedBookkeeping.com

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