

PROJECTED INCOME AND EXPENSES	S-Corporation	Sole Proprietorship
Gross Sales	\$150,000.00	\$150,000.00
(-) COGS: Job costs and labor costs per jobs sold	\$0.00	\$0.00
GROSS PROFIT	\$150,000.00	\$150,000.00
(-) Expenses (estimated)	\$40,000.00	\$40,000.00
(-) Payroll Tax - 1/2 SS/Medicare Tax - from employee wages	\$3,442.50	\$0.00
(-) Wages to Owner/Officer	\$45,000.00	\$0.00
(-) Retirement Contribution (SEP/401K)	\$10,000.00	\$0.00
(-) Rents/Royalty Income - Home Office or Intellectual Property	\$20,000.00	\$0.00
ESTIMATED PROFIT - Business	\$31,557.50	\$110,000.00
PERSONAL - ESTIMATED INCOME		
Wages from S-Corporation (minus employee contribution)	\$45,000.00	N/A
Rents/Royalty Income - Home Office or Intellectual Property	\$20,000.00	N/A
S-Corporation Profit - K-1 / Sole Proprietor Net Profit	\$31,557.50	\$110,000.00
Other Income	\$0.00	\$0.00
TOTAL INCOME	\$96,557.50	\$110,000.00
1/2 SS/Medicare as Sole Proprietor	N/A	\$8,415.00
SEP Contribution	\$0.00	\$0.00
Health Insurance Deduction	\$0.00	\$0.00
Itemized/Standard Deductions	\$24,000.00	\$24,000.00
TAXABLE INCOME	\$72,557.50	\$77,585.00
Qualified Business Income Deduction: QBID	\$0.00	\$0.00
TAXABLE INCOME	\$72,557.50	\$77,585.00
TYPE OF TAX/AMOUNT PAID IN		
SS/Medicare Tax: Based on Wages and Sole Proprietor Profit (15.3%)	\$6,885.00	\$16,830.00
FEDERAL: Total Federal Income Tax Due: (estimated)	\$8,706.00	\$6,670.00
STATE: Total State Tax Due: (estimated)	\$4,375.00	\$4,060.00
TOTAL ESTIMATED TAX DUE	\$19,966.00	\$27,560.00
Estimated Marginal Tax Rate:	35%	45%
Keeping Status Quo . . . (Based on income above)		
	One Year	Five Years
Current cost of no action - keep current business model:	\$7,594.00	\$37,970.00
Current Tax Efficiency:	72%	Based on total tax paid
% you would overpay your taxes:	28%	
How much business profit do you need to earn one year of tax savings?	\$11,683.08	\$13,807.27
How much business profit do you need to earn 5 years of tax savings?	\$58,415.38	\$69,036.36
Our Firm's Best Practice: Additional Costs to Recapture		
Medical Expenses - Use a HSA	\$4,000.00	\$1,400.00
Additional Business Expenses	\$5,000.00	\$1,750.00
	\$0.00	\$0.00
ADDITIONAL COSTS		\$3,150.00

SS/Medicare Tax (15.3)
1 - Wages
2 - Self Employment

New for 2018!

Qualified Trade or Business
A qualified trade or business is generally defined as any trade or business other than (1) the business of performing services as an employee and (2) a specified service business [IRC Sec. 199A(d)(1)].

Specified Service Trade or Business (SSTB)
A specified service business is one that involves the performance of services in the fields of health, law, accounting, actuarial science, performing arts, consulting, athletics, financial services, or brokerage services. The term also includes any business that participates in investing and investment management, trading, or dealing in securities, partnership interests, or commodities.
A business whose principal asset is the

The Cost of No Action

Learn how to pay yourself from your business and change how your tax is calculated

Additional possible tax efficient