Business Treatment 2023

! PLEASE NOTE !

- \sim Any expense that is not 100% Business-use should be brought to my attention.
- ~ Generally speaking, you MUST have receipts for all your business expenses. Please inquire with questions regarding these requirements if you are unsure if you have appropriate documentation.
- \sim Do not enter any one expense in more than one location in this organizer.
- ~ You have final responsibility for all expenses actually deducted on the return, and should thus ensure information is presented here such that Tax Treatment can properly verify deductibility.

Other Notes -

This organizer is intended to be a workbook. Please write down everything you can think of that might be relevant. If you don't see a spot for it, please use the "Other Expenses" category. We will discuss the deductibility of expenses you enter here during our appointment. Not all expenses are deductible, but many/most are. Generally speaking, business expenses are those that are **ordinary and necessary** to your profession. For more information, please inquire.

Sub-categories -

Sub-categories are provided to help you brainstorm & understand what kinds of things fall within the category, and to help Tax Treatment verify expense deductibility. However (esp. if we've worked together before), you may simply enter the main category total in any one of the "Other" boxes and indicate that it is the "Grand Total" for the category. The breakdown into sub-categories is not required.

More than one type of self-employment activity?

If so, please complete separate copies of the Business Treatment for each business activity.

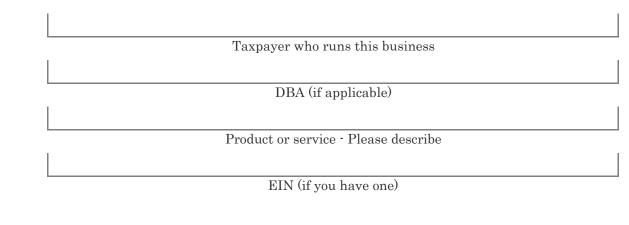
Artists operating with a net loss, please note -

The IRS does not require you to have income/profits to file as an artist, but it does require that you be trying to make a profit from that business. Keeping track of the places where you send your work, clubs you approach for bookings, copies of fliers, and "product" in general are helpful in proving that you are a serious artist and intend to be a profitable one. The "hobby law" is commonly invoked by the IRS when artists have had losses over a long period of time. For additional information, or if you have any questions or concerns, please ask.

~If you have any questions, concerns or overwhelm, please let me know ~

Business Info

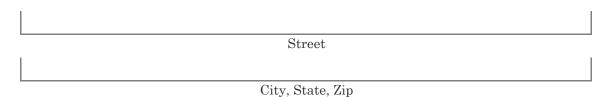
Names, Nature, Numbers:



Single-member LLCs:



Current Business Mailing Address:



Year Business Started (New clients only):

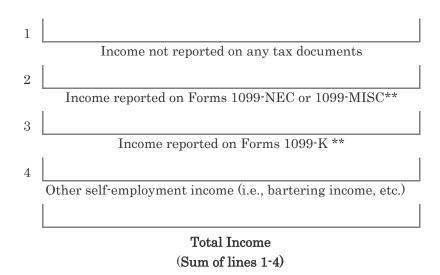
Business Income

First, distinguish between:

Self-employment income : Income you receive as an independent contractor or directly from clients in the course of your trade or business. You are not on a company payroll. Taxes are not withheld from your payments. This is also referred to as Schedule C income.

Employment income : Income you receive as an employee of a company. You receive a payroll check with taxes deducted. You receive a W-2 at the end of the year. In general, do not include this income anywhere in this organizer, nor any expenses associated with employment income. Those expenses belong in the Personal Organizer under Employee Expenses. However, if some expenses are part employment and part self-employment, see the note under **Special Case** below.

Self-Employment Income:



** See page 4 if paid on Forms 1099

Does the **Total Income** Reported for your business (above) match your total bank deposits for the year? Ves No

Special Case -- Two Income Types & Shared Expenses

- · If you have self-employment income AND
- · Have employment income AND
- · Have expenses that can be attributed to both forms of income (shared expenses)

Then you need to allocate those expenses between this Business Organizer and the Employee Expenses category in the Personal Organizer. See the example below. If you need further assistance or would like Tax Treatment to help make the allocation, please inquire.

Example: you are a professional violinist employed (W2) by the SF Symphony and you teach violin on a freelance (self-employment) basis. You pay \$450 for violin strings for an instrument that you use for both purposes. You must allocate the \$450 between employee business expense and your own (self-employment) business expense. You can estimate this based on the relative number of hours spent, the amount of income you receive, or any other reasonable method.

~3~

An important note regarding Forms 1099 & reimbursements:

If you receive 1099s for services, it is very important that you reconcile each 1099 with your records. This is so that the correct deductions are reflected on your tax return. To do a reconciliation, simply list each 1099, then detail the total figure into two columns, one for fees for services and one for expense reimbursements. Most often, a "round" number means only fees have been included, and an "odd" number means fees plus expense reimbursements have been included. Recording what each 1099 consists of will assist you in determining the proper deductions to include in your business expenses (illustrated below).

Vendors are not consistent in how they report 1099s, so you must be aware of the possibilities:

Hypothetical situation : You contract to deliver a motivational speech. Your fee is \$1000 plus travel expense of \$300 (eg: airfare).

Scenario 1. Client pays the travel expense directly. Your 1099 shows \$1000. Report \$1000 income, 0 expense.

Scenario 2. You pay the travel expense; client reimburses you. Your 1099 shows \$1300. Report \$1300 income, \$300 expense.

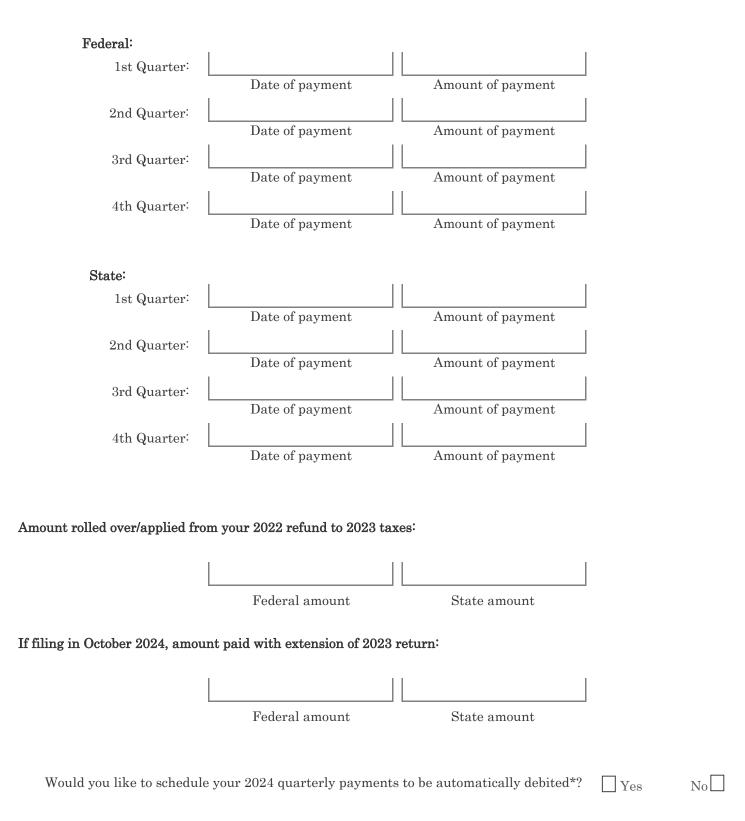
Scenario 3. Same as Scenario 2, but your 1099 shows \$1000. Report \$1000 income, 0 expense.

Scenario 4. You pay the travel expense, client does **not** reimburse you. Your 1099 shows \$1000. Report \$1000 income, \$300 expense.

Please be sure that we discuss which scenario applies to your vendors. If you believe you have some vendors that operate under scenario 2, and some like that of scenario 3, please bring this to my attention.

An important note regarding Forms 1099-K:

If you receive a form or forms 1099-K, it is your responsibility to ensure there is no overlap between Forms 1099-K and Forms 1099-MISC or 1099-NEC. It is possible a client or vendor will issue you a 1099-NEC or 1099-MISC that has also been reported to you on a 1099-K. If you discover that this has occurred, please let Tax Treatment know, and you will be advised on how to proceed. You should also verify that no personal payments are included in the figure reported to you on the 1099-K.



2023 Quarterly Estimated Payments

* Once scheduled, these payments cannot be changed in amount or payment source, though in the event you need to cancel the payment, Tax Treatment can provide you with a phone number to call to cancel the payment(s).

Start-Up Expenses

Your business is considered to have started once you have gathered everything necessary to be in business & have let others know that your services and/or products are available for hire/purchase. Start-up expenses are those that you incur prior to that start date.

Did you start this business in 2023?	Yes	No
If yes, please enter the date your business started		
& complete the rest of this page:		

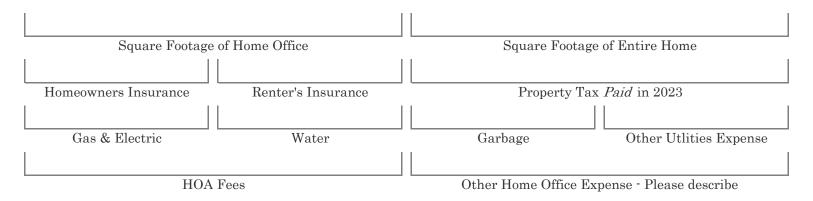
Amount Paid	Expense Description	Date of Purchase
Amount Paid	Expense Description	Date of Purchase
Amount Paid	Expense Description	Date of Purchase
Amount Paid	Expense Description	Date of Purchase
Amount Paid	Expense Description	Date of Purchase
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Amount Paid	Expense Description	Date of Purchase
Amount Paid	Expense Description	Date of Purchase

Home Office

A home office is a space that is used **regularly & exclusively** for business. It can be an entire room, or part of a room. Please only enter information below if the space meets the regular and exclusive use tests. Please inquire if you have questions as to whether you qualify. You must also retain photo documentation of the space, which Tax Treatment will explain in detail the year you begin deducting home office expenses, but which must be documented anew each year for your records.

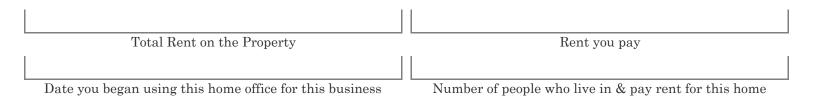
Note - If this is a shared workspace with your live-in partner/spouse/whathaveyou, please notate that! Please enter total square footage of the office space as well as your % of total or your individual sq. ft. For related expenses, please enter total household expenses at 100% & I will make the appropriate allocations. Please inquire with questions.

Returning Clients - You may write "Same" if there are no changes to the square footage, expenses, etc.



Renters:

Technically, in most cases, you must issue your landlord a 1099-MISC showing the amount of home office/business rents paid. Please inquire for further clarification/information, to have Tax Tx file the form for you, or if this is not feasible with your landlord.



Homeowners:

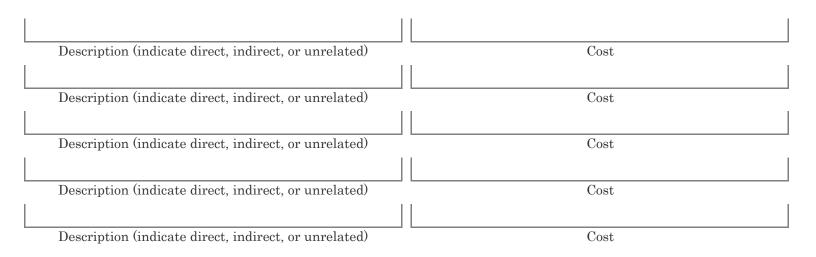
Complete only if this home office is new in 2023, or if you are a new client.

Purchase Date	Purchase Price
Names of the people on the mortgage to this home	Names of people on the title to this home
Date you began using this home office for this business	

Home Office - Continued

Home Repairs (keep or maintain your home in regular & good working order):

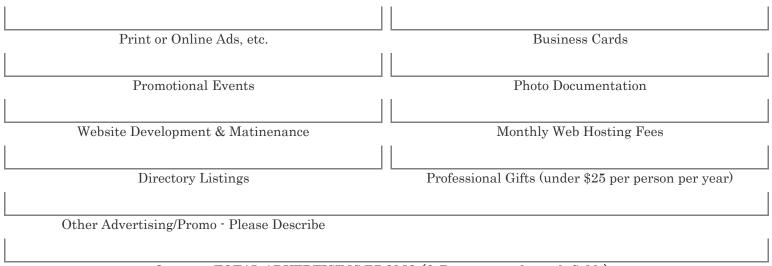
Repairs are **directly related** if they are made in/to the Home Office, and **indirectly related** if they keep the entire home in good working order. Do not include **unrelated** repairs that were specific to a non-home-office part of the home.



Home Improvements (increases value of property, adds to its life, or gives it a new or different use):

Total amount paid	Description (indicate direct, indirect or unrelated)	Date of Completion
Total amount paid	Description (indicate direct, indirect or unrelated)	Date of Completion
Total amount paid	Description (indicate direct, indirect or unrelated)	Date of Completion
Total amount paid	Description (indicate direct, indirect or unrelated)	Date of Completion
Total amount paid	Description (indicate direct, indirect or unrelated)	Date of Completion
Total amount paid	Description (indicate direct, indirect or unrelated)	Date of Completion

Advertising/Promotional



Or, enter TOTAL ADVERTISING/PROMO (& Do not use other sub-fields)

Rent or Lease

	109	9 Issued?	
	Yes	No	
Space Rented (other than Home Office)			
	Yes	No	
Equipment Rented (Vehicles, Machinery, etc.)			
Other Rent/Lease - Please Describe			

Commissions & Fees

	1099 Issued?
Commissons or credit card/Paypal/etc. processing fees	Yes No
Union Dues	Registration Fees
Copyright Fees	Directory Fees
Other Comissions & Fees - Please Describe	

		1099 Iss	ued?
		Yes	No
Payee or Service Provided	Total Paid		
		Yes	No
Payee or Service Provided	Total Paid		
		Yes	No
Payee or Service Provided	Total Paid		
		Yes	No
Payee or Service Provided	Total Paid	-	
		Yes	No
Payee or Service Provided	Total Paid		
		Yes	No
Payee or Service Provided	Total Paid		
		Yes	No
Payee or Service Provided	Total Paid		
		Yes	No
Payee or Service Provided	Total Paid		
		Yes	No
Payee or Service Provided	Total Paid		
		Yes	No
Payee or Service Provided	Total Paid		_
		Yes	No
Payee or Service Provided	Total Paid		

Contract Labor Expense (Do not include contract income here. Record income on Page 3.)

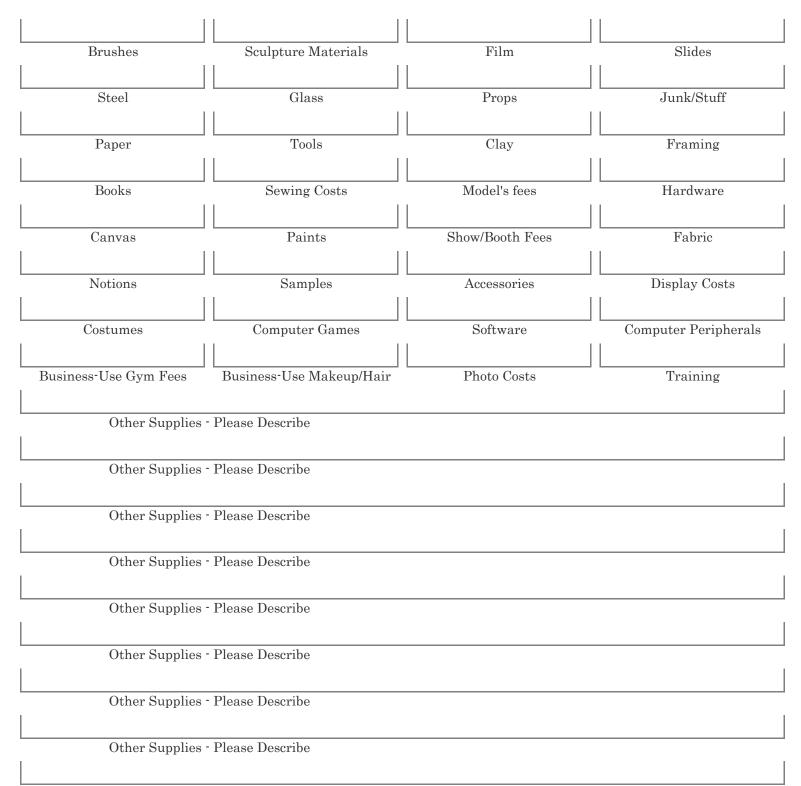
Other Contract Labor - Please Describe

Repairs & Maintenance

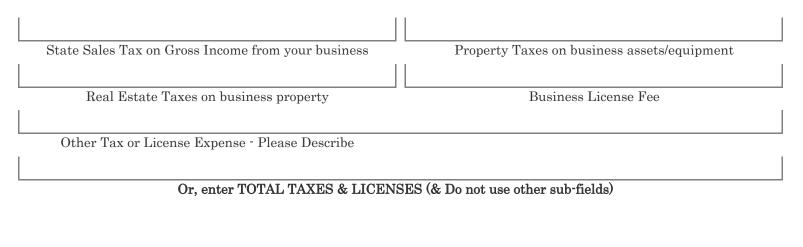
Computer Repairs	Computer Maintenance
Other Equipment Repairs	Other Equipment Maintenance
Other Repairs & Maintenance - Please Describe	

Supplies

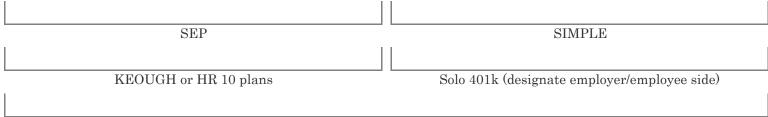
Supplies & materials that are consumed and used during the tax year (useful life of one year or less). It can also include items that last longer than a year if they are less than \$500 individually (like small furnishings, staplers, etc.).



Taxes & Licenses



Pension & Profit-sharing Plans



Other Pension Expense - Please Describe

Local Meals & Entertainment

Professional meals are those at which you discussed business. Entertainment expenses are no longer allowed for federal tax purposes, but may still be deducted on your CA tax return. Keep good records of who you met with and the business purpose of the meeting, as this is a high abuse area, and thus one that is more subject to scrutiny.

 Total Local (Non-Travel) Meal Costs
 Total Local (Non-Travel) Entertainment* Costs

*Non-research related entertaiment. Enter research related entertainment on page 17.

Travel

Travel is primarily business if more than 50% of your days spent out of town are spent on business activities. For trips falling below the 50% threshold, you will not be able to deduct any part of your cost of getting to the destination. All trips that are greater than 50% business, you can include the entire cost of the expense of getting to your destination. For trips that include any personal days, prorate all other associated travel expenses & only enter the business portion here.

If you drove your own vehicle to your destination, write "miles" under Cost to Destination & add miles to business miles in the Car & Truck section. Entering your "Dates Traveled" allows Tax Tx to look up the standard meal rate/deduction, and take that if more advantageous than your actual meal expenses.



Insurance (other than Home/Health/Auto)

Business Insurance Premiums	Fire, Theft, Flood Insurance
Malpractice Insurance	-

Other Insurance Expense - Please Describe

Or, enter TOTAL INSURANCE (& Do not use other sub-fields)

Utilities & Communications

If internet & cell phone expenses are a shared expense with another family member, please enter only your share of the total expense under Grand/Annual Total, and then the percent of that total that you want to claim for business-use.

Business Long Distance (if no separate line)
Internet Percentage to claim as Business Use
Cell Phone Percentage to claim as Business Use

Other Utilities Expense - Please Describe

Interest

Interest you pay during the tax year on debts related to your business, provided you use the proceeds of the debt or loan for a business expense. If a loan is part business, part personal, you must separate out the business part.

Interest on Business Loans

Interest on Business Credit Cards

Other Interest Expense - Please Describe

Legal & Professional

	$1099 \ \mathrm{Is}$	sued?
	Yes	No
Legal Fees	-	
	Yes	No
Tax Prep Fees (business portion)*	*Returning	r clients can leave blank, or just write "TaxTx"
	Yes	No
Accountant Fees	_	
	Yes	No
Business Consultant Fees	-	
Other Legal or Professional Fees - Please Describe		
Other Legal or Professional Fees - Please Describe		
Other Legal or Professional Fees - Please Describe		

Office Operation

Small Equipment (under \$100 ea.)	Office Supplies
Messengers	Shipping
Mailing & Postage	Photocopying & Faxing
Other Office Expense - Please Describe	
Other Office Expense - Please Describe	

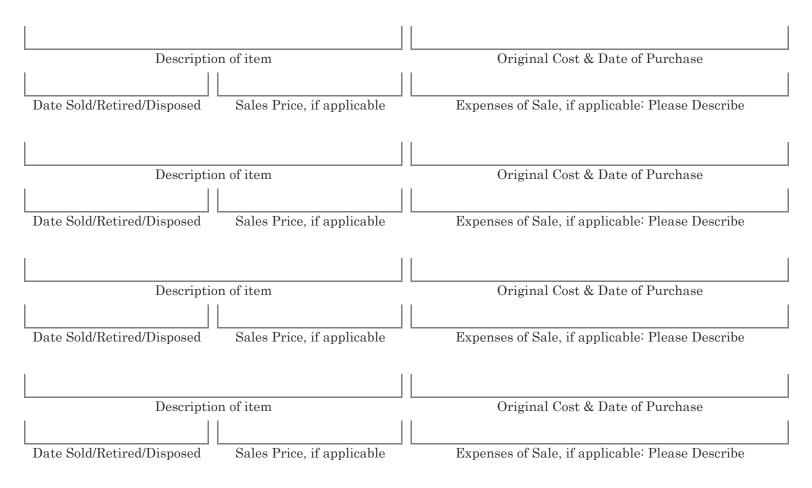
Or, enter TOTAL OFFICE (& Do not use other sub-fields)

Assets/Equipment

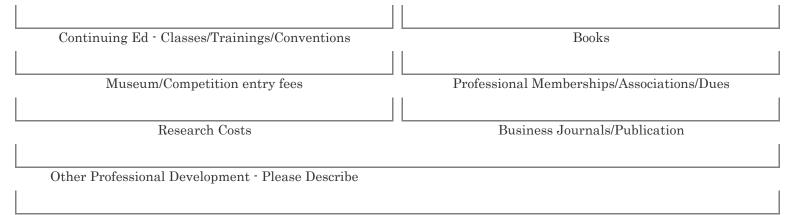
Assets are defined as things used in your business that you use for more than one year that are individually worth more than \$500. Examples are computers, office furniture & furnishings, instruments, cameras, tools, software, etc. Please complete the following OR provide itemized receipts with business-use % marked and note any difference between placed in service date and date of purchase. Items individually less than \$500 can be included in the Supplies category.

Desci			
	ription of item	Cost	
Date of Purchase	Date Placed in Service	Percent Business U	Jse
Check a box:	Deduct full cost this year	Deduct cost over useful life of item	Unsure
Desc	ription of item	Cost	
Date of Purchase	Date Placed in Service	Percent Business U	Jse
Check a box:	Deduct full cost this year	Deduct cost over useful life of item	Unsure
Dogg	ription of item	Cost	
Desc			
Date of Purchase	Date Placed in Service	Percent Business U	Jse
Check a box:	Deduct full cost this year	Deduct cost over useful life of item	Unsure
Check a box.			
Desc	ription of item	Cost	
	\mathbf{D} (\mathbf{D}) (\mathbf{D}) (\mathbf{C})		-
Date of Purchase	Date Placed in Service	Percent Business U	Jse
Date of Purchase Check a box:	Date Placed in Service	Percent Business U	Jse Unsure
	_	_	_
Check a box:	_	_	_
Check a box:	Deduct full cost this year	Deduct cost over useful life of item	_
Check a box:	Deduct full cost this year	Deduct cost over useful life of item	Unsure
Check a box: Descr	Deduct full cost this year	Deduct cost over useful life of item	Unsure
Check a box: Descr Date of Purchase	Deduct full cost this year ription of item Date Placed in Service	Deduct cost over useful life of item Cost Percent Business U	Unsure Jse
Check a box: Descr Date of Purchase Check a box:	Deduct full cost this year ription of item Date Placed in Service	Deduct cost over useful life of item Cost Percent Business U	Unsure Jse
Check a box: Descr Date of Purchase Check a box:	Deduct full cost this year	Deduct cost over useful life of item Cost Percent Business U Deduct cost over useful life of item	Unsure Jse
Check a box: Descr Date of Purchase Check a box:	Deduct full cost this year	Deduct cost over useful life of item Cost Percent Business U Deduct cost over useful life of item	Unsure

Did you dispose of, sell, or retire any Assets/Equipment in 2023? If so, please complete the following:



Professional Development



Car & Truck

Business miles are miles driven from one work location to another (including to & from your home office, if you worked from the office before leaving or after returning home). Note: Excluding the home office exception mentioned, miles driven from your home to your first work location of the day and miles driven from work back to your home at the end of the day are considered personal/commuting miles, not business miles - please include them under the personal miles category. The same rules apply to parking & tolls expenses - only include expenses incurred that correlate with business miles.

Business (work to work) Miles 2023	Personal Miles 2023
Car Make, Model & Year	Vehicle License Fee (please furnish copy of reg. bill)
Beginning of the year odometer reading	End of the year odometer reading
When did you place the vehicle in use for business?	Is this the same vehicle you used last year for business?
Business Parking expenses	Business Tolls expenses

Business Parking expenses

Business Tolls expenses

If you think you might take Acutal Expenses over the Standard Deduction (enter sum total for vehicle - no business vs. personal allocation required):

. .

Car Insurance	Interest paid on car loan	
Gas	Maintenance/Repairs/Oil	
Original Cost of car	Purchase Date	
Registration Fee (excluding VLF)	Driver's License Fee	
Neighborhood Parking Permit	Other: Please Describe	
Is the vehicle leased or owned?		
Own Lease		
Is the vehicle owned or leased by you (or your spouse) ?		
Yes No		
CA residents only, to have Tax Tx look up your Vehicle License Fee for you:		
Last 5 of the VIN is:	License Plate # is:	

*A copy of your DMV registration renewal bill is much appreciated, if readily available.

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Car & Truck - continued

Is the vehicle available for use during off-duty hours?		
Tes Yes	No 🗌	
Do you have another vehicle for personal use?		
Tes Yes	No 🗌	
Do you have evidence to support your deduction? (If unsu	rre, please inquire about recordkeep	ing requirements.)
Tes Yes	No 🗌	
Did you sell, trade-in, total, retire, or otherwise dispose o	f your vehicle in 2023?	
Yes	No 🗌	
If yes:		
Date Sold/Retired/Dispos	sed Sales Price, if applicable	Trade-in value, if applicable

Local Transportation

Only enter expenses incurred going from one business location to another business location, for this business only. Expenses incurred to go from home to business, or business back home, are not deductible, **unless you claim a home office and worked from the office prior to leaving/upon returning.** Please inquire if you have questions.

Buses, BART, Trains, Etc.	Cabs & Ride Services (Local)	
Car rental for business use (Local)	Business Zip Car	
Other Local Transportation Expense - Please Describe		
Or, enter TOTAL LOCAL TRANSPORTATION (& Do not use other sub-fields)		

Inventory

Beginning of year inventory	End of year inventory
Inventory Purchases	Materials & Supplies
	Materiais & Suppries
Other Inventory - Please Describe	
Other Inventory - Please Describe	
Method(s) used to value closing inventory:	Lower of cost or market Other, or Don't Know

Other Expenses

Other - Please Describe	
Other - Please Describe	
Other - Please Describe	I
Other - Please Describe	

Other - Please Describe