

Business Treatment 2023

! PLEASE NOTE !

- ~ 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.
- ~ 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:

Taxpayer who runs this business	
DBA (if applicable)	
Product or service - Please describe	
EIN (if you have one)	

Single-member LLCs:

Secretary of State File No.	
Date the business started (New clients/LLCs only)	State LLC registered

Current Business Mailing Address:

Street
City, State, Zip

Year Business Started (New clients only):

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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:

1	Income not reported on any tax documents
2	Income reported on Forms 1099-NEC or 1099-MISC**
3	Income reported on Forms 1099-K **
4	Other self-employment income (i.e., bartering income, etc.)

Total Income
(Sum of lines 1-4)

** 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?

Yes 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.

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

Federal:

1st Quarter:	<input type="text"/>	<input type="text"/>
	Date of payment	Amount of payment
2nd Quarter:	<input type="text"/>	<input type="text"/>
	Date of payment	Amount of payment
3rd Quarter:	<input type="text"/>	<input type="text"/>
	Date of payment	Amount of payment
4th Quarter:	<input type="text"/>	<input type="text"/>
	Date of payment	Amount of payment

State:

1st Quarter:	<input type="text"/>	<input type="text"/>
	Date of payment	Amount of payment
2nd Quarter:	<input type="text"/>	<input type="text"/>
	Date of payment	Amount of payment
3rd Quarter:	<input type="text"/>	<input type="text"/>
	Date of payment	Amount of payment
4th Quarter:	<input type="text"/>	<input type="text"/>
	Date of payment	Amount of payment

Amount rolled over/applied from your 2022 refund to 2023 taxes:

<input type="text"/>	<input type="text"/>
Federal amount	State amount

If filing in October 2024, amount paid with extension of 2023 return:

<input type="text"/>	<input type="text"/>
Federal amount	State amount

Would you like to schedule your 2024 quarterly payments to be automatically debited*? Yes No

** 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).*

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.

Square Footage of Home Office		Square Footage of Entire Home	
Homeowners Insurance	Renter's Insurance	Property Tax <i>Paid</i> in 2023	
Gas & Electric	Water	Garbage	Other Utilities Expense
HOA Fees		Other Home Office Expense - Please describe	

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.

Total Rent on the Property	Rent you pay
Date you began using this home office for this business	Number of people who live in & pay rent for this home

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	

Advertising/Promotional

Print or Online Ads, etc.	Business Cards
Promotional Events	Photo Documentation
Website Development & Matinenance	Monthly Web Hosting Fees
Directory Listings	Professional Gifts (under \$25 per person per year)
Other Advertising/Promo - Please Describe	

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

Rent or Lease

Space Rented (other than Home Office)	1099 Issued? <input type="checkbox"/> Yes No <input type="checkbox"/>
Equipment Rented (Vehicles, Machinery, etc.)	<input type="checkbox"/> Yes No <input type="checkbox"/>
Other Rent/Lease - Please Describe	

Commissions & Fees

Commissons or credit card/Paypal/etc. processing fees	1099 Issued? <input type="checkbox"/> Yes No <input type="checkbox"/>
Union Dues	Registration Fees
Copyright Fees	Directory Fees
Other Comissions & Fees - Please Describe	

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

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

		1099 Issued?	
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Payee or Service Provided	Total Paid		
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Payee or Service Provided	Total Paid		
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Payee or Service Provided	Total Paid		
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Payee or Service Provided	Total Paid		
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Payee or Service Provided	Total Paid		
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Payee or Service Provided	Total Paid		
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Payee or Service Provided	Total Paid		
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Payee or Service Provided	Total Paid		
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Payee or Service Provided	Total Paid		

Other Contract Labor - Please Describe

Repairs & Maintenance

<input type="text"/>	<input type="text"/>
Computer Repairs	Computer Maintenance
<input type="text"/>	<input type="text"/>
Other Equipment Repairs	Other Equipment Maintenance

Other Repairs & Maintenance - Please Describe

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

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.).

Brushes	Sculpture Materials	Film	Slides
Steel	Glass	Props	Junk/Stuff
Paper	Tools	Clay	Framing
Books	Sewing Costs	Model's fees	Hardware
Canvas	Paints	Show/Booth Fees	Fabric
Notions	Samples	Accessories	Display Costs
Costumes	Computer Games	Software	Computer Peripherals
Business-Use Gym Fees	Business-Use Makeup/Hair	Photo Costs	Training
Other Supplies - Please Describe			
Other Supplies - Please Describe			
Other Supplies - Please Describe			
Other Supplies - Please Describe			
Other Supplies - Please Describe			
Other Supplies - Please Describe			
Other Supplies - Please Describe			
Other Supplies - Please Describe			
Other Supplies - Please Describe			
Other Supplies - Please Describe			

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

Taxes & Licenses

State Sales Tax on Gross Income from your business	Property Taxes on business assets/equipment
Real Estate Taxes on business property	Business License Fee
Other Tax or License Expense - Please Describe	

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

Pension & Profit-sharing Plans

SEP	SIMPLE
KEOUGH or HR 10 plans	Solo 401k (designate employer/employee side)
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
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**Non-research related entertainment. 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.

Destination: City & State (& Country if not U.S.)		Dates Traveled	
Cost to destination	Lodging costs	# of business days	# of personal days
Meal costs	Local Transportation	Other Travel Expense - Please Describe	

Destination: City & State (& Country if not U.S.)		Dates Traveled	
Cost to destination	Lodging costs	# of business days	# of personal days
Meal costs	Local Transportation	Other Travel Expense - Please Describe	

Destination: City & State (& Country if not U.S.)		Dates Traveled	
Cost to destination	Lodging costs	# of business days	# of personal days
Meal costs	Local Transportation	Other Travel Expense - Please Describe	

Destination: City & State (& Country if not U.S.)		Dates Traveled	
Cost to destination	Lodging costs	# of business days	# of personal days
Meal costs	Local Transportation	Other Travel Expense - Please Describe	

Destination: City & State (& Country if not U.S.)		Dates Traveled	
Cost to destination	Lodging costs	# of business days	# of personal days
Meal costs	Local Transportation	Other Travel Expense - Please Describe	

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 Land Line (must be 2nd line if in a home-office)	Business Long Distance (if no separate line)
Internet - Grand/Annual Total (100%)	Internet Percentage to claim as Business Use
Business Cell Phone - Grand/Annual Total (100%)	Cell Phone Percentage to claim as Business Use
Other Utilities Expense - Please Describe	
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 Issued?

Yes No

Legal Fees

Yes No

Tax Prep Fees (business portion)*

**Returning 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.

Description of item		Cost	
Date of Purchase	Date Placed in Service	Percent Business Use	
Check a box: <input type="checkbox"/> Deduct full cost this year		<input type="checkbox"/> Deduct cost over useful life of item <input type="checkbox"/> Unsure	

Description of item		Cost	
Date of Purchase	Date Placed in Service	Percent Business Use	
Check a box: <input type="checkbox"/> Deduct full cost this year		<input type="checkbox"/> Deduct cost over useful life of item <input type="checkbox"/> Unsure	

Description of item		Cost	
Date of Purchase	Date Placed in Service	Percent Business Use	
Check a box: <input type="checkbox"/> Deduct full cost this year		<input type="checkbox"/> Deduct cost over useful life of item <input type="checkbox"/> Unsure	

Description of item		Cost	
Date of Purchase	Date Placed in Service	Percent Business Use	
Check a box: <input type="checkbox"/> Deduct full cost this year		<input type="checkbox"/> Deduct cost over useful life of item <input type="checkbox"/> Unsure	

Description of item		Cost	
Date of Purchase	Date Placed in Service	Percent Business Use	
Check a box: <input type="checkbox"/> Deduct full cost this year		<input type="checkbox"/> Deduct cost over useful life of item <input type="checkbox"/> Unsure	

Description of item		Cost	
Date of Purchase	Date Placed in Service	Percent Business Use	
Check a box: <input type="checkbox"/> Deduct full cost this year		<input type="checkbox"/> Deduct cost over useful life of item <input type="checkbox"/> Unsure	

Assets/Equipment - Continued

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

Description of item		Original Cost & Date of Purchase
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Date Sold/Retired/Disposed	Sales Price, if applicable	Expenses of Sale, if applicable: Please Describe
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Description of item		Original Cost & Date of Purchase
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Date Sold/Retired/Disposed	Sales Price, if applicable	Expenses of Sale, if applicable: Please Describe
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Description of item		Original Cost & Date of Purchase
---------------------	--	----------------------------------

Date Sold/Retired/Disposed	Sales Price, if applicable	Expenses of Sale, if applicable: Please Describe
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Description of item		Original Cost & Date of Purchase
---------------------	--	----------------------------------

Date Sold/Retired/Disposed	Sales Price, if applicable	Expenses of Sale, if applicable: Please Describe
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Professional Development

Continuing Ed - Classes/Trainings/Conventions	Books
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Museum/Competition entry fees	Professional Memberships/Associations/Dues
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Research Costs	Business Journals/Publication
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Other Professional Development - Please Describe
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Other Professional Development - Please Describe
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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

If you think you might take Actual 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.*

Car & Truck continued on next page →

Car & Truck - continued

Is the vehicle available for use during off-duty hours?

Yes No

Do you have another vehicle for personal use?

Yes No

Do you have evidence to support your deduction? (If unsure, please inquire about recordkeeping requirements.)

Yes No

Did you sell, trade-in, total, retire, or otherwise dispose of your vehicle in 2023?

Yes No

If yes:			
	Date Sold/Retired/Disposed	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
Other Inventory - Please Describe	
Other Inventory - Please Describe	

Method(s) used to value closing inventory: Cost Lower of cost or market Other, or Don't Know

Other Expenses

Other - Please Describe

Other - Please Describe

Other - Please Describe

Other - Please Describe

Other - Please Describe

Other - Please Describe

Other - Please Describe

Other - Please Describe

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