

# Comparison of Taxes Owed Self Employment Tax Filing vs Incorporated Tax Filing

### File as Self Employment example\*

#### 1040 Department of the Treasury-Internal Revenue Service (99) 20XX OMB No. 1545-0074 Your first name and initial Your social security number 315-15-1515 SMITH MIKE If a joint return, spouse's first name and initial Spouse's social security number Home address (number and street). If you have a P.O. box, see instructions 800 E NORTHWEST HWY 1090 City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions) PALATINE, IL 60074 Foreign country name Foreign province/state/county Foreign postal code You Spouse Filing Status Married filing jointly (even if only one had income) the qualifying person is a child but not your dependent, enter this 3 Married filing separately. Enter spouse's SSN above Check only one and full name here. 5 Qualifying widow(er) (see instruc Yourself. If someone can claim you as a dependent, do not check box 6a Exemptions Boxes checked on 6a and 6b No. of children on 6c who: • lived with you did not live with you due to divorce or separation (see instructions) If more than four check here ▶ d Total number of exemptions claimed Wages, salaries, tips, etc. Attach Form(s) W-2. Income 8a 8a Taxable interest. Attach Schedule B if required b Tax-exempt interest. Do not include on line 8a Attach Form(s) W-2 here. Also 9a Ordinary dividends. Attach Schedule B if required Qualified dividends Business income or (loss). Attach Schedule C or C-EZ 20,000. If you did not Capital gain or (loss). Attach Schedule D if required. If not required, check here.... get a W-2, Other gains or (losses). Attach Form 4797 . . . . . IRA distributions . Pensions and annuities . . 16a b Taxable amount Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E Farm income or (loss). Attach Schedule F . Unemployment compensation 20a Social security benefits . . 20a 21 Other income. List type and amount Combine the amounts in the far right column for lines 7 through 21. This is your total Incom Adjusted Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ Gross Health savings account deduction. Attach Form 8889 . Income Moving expenses, Attach Form 3903 Deductible part of self-employment tax. Attach Schedule SE. 1,413. Self-employed SEP, SIMPLE, and qualified plans . Self-employed health insurance deduction . . . . . Penalty on early withdrawal of savings . . . . . . . . . . . . . . . Alimony paid b Recipient's SSN ▶ IRA deduction 33 Student loan interest deduction Tuition and fees. Attach Form 8917 35 Domestic production activities deduction. Attach Form 8903. 36 Add lines 23 through 35 . . . . . . . . . . . . Subtract line 36 from line 22. This is your adjusted gross income 18,587. Form 1040 (2017) For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions

### File as a Corporation example\*

Department of the Treasury-Internal U.S. Individual Incor						1200			S Use C	separ	ate instructions.	_	
Your first name and initial MIKE				Last name SMITH						Your social security number 315-15-1515			
													If a joint return, spouse
Home address (numbe	er and str	eet). If you have a P.O. box, s	ee instru	ctions.			$\neg$	Apt. no.	+	Mal	ke sure the SSN(s) i	above	
800 E NORT	HWES	T HWY		1090					and on line 6c are correct.				
		and ZIP code. If you have a for	eign add	iress, also d	omplete spaces below	v (see in	struction	ons).			ntial Election Cam		
PALATINE,	IL 6	50074							inia	ck here	if you, or your spouse it \$3 to go to this fund	if filing Checkin	
Foreign country name			Foreign province/state/county Foreign po			gn postal code	ostal code a box below to		You Sp	ax or			
Filing Status	1 2				4	Не	ad of I	nousehold (with	qualif	ing pe	rson). (See instructi	ons.) It	
rilling Status	2	Married filing jointly (ev	en if onl	y one had i	ncome)				a child	but no	t your dependent, en	ter this	
Check only one	3		y. Enter	spouse's S				ame here.					
box.		and full name here.					_	g widow(er) (se	e instr	uctions	1)		
Exemptions		Yourself. If someon	e can cl	aim you as	a dependent, do no	ot check	k bak i	Sa		}	Boxes checked on 6a and 6b	_	
	ь	Spouse							4) Xife	hild	No. of children	_1	
	c	Dependents:			(2) Dependent's	(3	) Dep	endent's	inder ag	e 17	on 6c who:  lived with you	^	
					social security numb	per rei	ations	nip to you	hild tax	redit	did not live with		
f more than four	(1) First	name Last name				+			(see instr.)		you due to divor or separation	ce O	
dependents, see instructions and						+			-	-	(see instructions	) <del> </del>	
check here						-			-	┪	Dependents on 6 not entered above	ic o	
oncox nare P						-			_	1			
	d	Total number of exemption	ns clain	ned						-	Add numbers on lines above >	1	
naama	7	Wages, salaries, tips, etc	. Attacl	Form(s)	N-2					7			
Income	8a	Taxable interest. Attach Schedule B if required								8a			
Attach Form(s)	b	Tax-exempt interest. Do not include on line 8a 8b											
W-2 here, Also 9a Ordinary dividends. Attach Schedule B if required										9a			
attach Forms W-2G and	ь		dividends										
1099-R if tax	10	Taxable refunds, credits, or offsets of state and local income taxes								10			
was withheld.	11	Alimony received  Business income or (loss), Attach Schedule C or C-EZ								11			
If you did not	12									12			
get a W-2, see instructions.	13	Capital gain or (loss). Att						ere •	ш	13			
	14	Other gains or (losses). Attach Form 479			b Taxable amount				14				
	15a 16a	Pensions and annuities								15b		_	
	16a 17	Rental real estate, royalti						ount		17	20.0	200	
	18	Farm income or (loss). A								18	20,	,00	
	19	Unemployment compens								19		_	
	20a	Social security benefits			Li	b Taxabi	le amo	unt		20b		_	
	21	Other income. List type a								21			
	22	Combine the amounts in			n for lines 7 through	21. Th	is is y	our total inco	me Þ	22	20,0	000	
	23	Educator expenses				. 23							
Adjusted	24	Certain business expens									I		
Gross		fee-basis government of	icials. A	ttach Forn	2106 or 2106-EZ .	. 24					l	_	
Income	25	Health savings account of	deductio	n. Attach F	orm 8889		_				۵ے	93	
	26	Moving expenses. Attach		26					3	10ء			
	27	Deductible part of self-er		SE 27				Me	7: ≥	0.			
	28	Self-employed SEP, SIM					do	MAG					
	29	Self-employed health ins		29 Feder			-A'						
	30	Penalty on early withdray			-	Feder.	eu		I				
	31a	Alimony paid b Recipi			31a			_		I			
	32	IRA deduction			32			_		I			
	33	Student loan interest ded Tuition and fees. Attach		33				_		I			
	35	Domestic production acti			Hook Form 9903	_	-		_		I		
	36	Add lines 23 through 35				_ 33	_			36	1	0	
	37	Subtract line 36 from line								37	20,0	200	

<sup>\*</sup>These examples are for purposes for this presentation only. Actual results may vary.

## Common business expenses Every business owner should be tracking!

Account Description

Automobile Expense Fuel, oil, repairs, and other automobile maintenance for business autos for non-hired

business autos

Bank Service Charges Bank account service fees, bad check charges and other bank fees

Business Licenses and Permits

Business licenses, permits, and other business-related fees

Computer and Internet Expenses Computer supplies, off-the-shelf software, online fees, and other computer or internet

related expenses

Depreciation Expense Depreciation on equipment, buildings and improvements

Insurance Expense Insurance expenses

Interest Expense Interest payments on business loans, credit card balances, or other business debt

Meals and Entertainment Business meals and entertainment expenses, including travel-related meals

(may have limited deductibility)

Office Supplies Office supplies expense

Payroll Expenses Payroll expenses

Professional Fees Payments to accounting professionals and attorneys for accounting or legal services

Rent Expense Rent paid for company offices or other structures used in the business

Repairs and Maintenance Incidental repairs and maintenance of business assets that do not add to the value

or appreciably prolong its life

Small Tools and Equipment Purchases of small tools or equipment not classified as fixed assets

Telephone Expense Telephone and long distance charges, faxing, and other fees Not equipment purchases

Utilities Water, electricity, garbage, and other basic utilities expenses

Ask My Accountant Transactions to be discussed with accountant, consultant, or tax preparer

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Call us for a free review of the last 3 years' tax returns to make sure every deduction was properly taken.

Remember the IRS allows you to amend your tax returns up to 3 years after filing.

Call to schedule an appointment 224-676-3577

