

A Home-Based Business can be utilized to substantially reduce your tax burden

To keep more of your earnings and grow your wealth is to understand the tax codes, and then utilize new strategies that will reduce your tax burdens.

Three Very Effective Strategies can be used to keep more of what you earn:

- Develop a Home-Based Business
- Improve the management of your investments
- Focused Tax Planning

Sanford Botkins, former Director of the IRS Audit Division wrote an article and said...

“If you don’t have a home-based business, start one today”!

In Newsweek, April 16, 2001, an IRS spokesman said of Sanford Botkins, “We love him and hate him at the same time. Sanford has taught people how to use the tax codes and therefore, has impacted the level of revenues that comes into the tax coffers”. A Home-Based Business comes under the same tax code as a large business, whether you are a blue-collar worker or a professional.

The tax codes favor business and not individuals. For Businesses, there are over 130 deduction categories.

The important issue is not how much you earn, but how much you get to keep.

By starting a Home-Based Business you can improve your bottom line!

A very significant tax savings comes from the fact that many expenses that you were paying before you had your Home-Based Business, may now become tax deductible. This is what is meant by, being able to deduct your lifestyle!

While you are working at a job and earning a paycheck, and have a Home-Based Business that you perform in your spare time, you can deduct many expenses that are not otherwise available to individuals.

Establishing these tax savings with a Home-Based Business may even allow one of the parents to stay home with the children, instead of day care. Aside from all of the other reasons the financial one is very powerful. Because of the tax savings, eliminating the childcare and associated expenses, the bottom line is that the family could possibly exceed their previous year’s spendable income!!! They could have more spending money, more cash flow, and one parent at home to look after the needs of the children, by utilizing the tax deductions that are ONLY available to businesses.

Tax Savings’ Benefits

The following are a partial listing of the various deductions that may be available to you. You should consult your tax professional for details.

- *Accounting, Banking & Professional Fees*
- *Advertising*
- *Automobile Expenses*
- *Business Use of Your Home*
- *Continuing Education*
- *Depreciation*
- *Donation of Products*
- *Dry Cleaning & Laundry*
- *Education & Training*
- *Employ Your Children*
- *Entertainment Expenses*
- *Equipment Purchases*
- *Freight & Postage*
- *Gifts & Incentives*
- *Interest*
- *Self-employment Tax*
- *Real Estate Tax*
- *Sales Tax*
- *Overhead Expenses*
- *Employees’ Pay*
- *Internet & Website Charges*
- *Insurance*
- *Meals*
- *Meals & Lodging While Traveling*
- *Medical & Dental*
- *Meeting Expenses*
- *Office Supplies*
- *Parking & Tolls*
- *Repairs & Maintenance*
- *Retirement Plans*
- *Sales Promotional*
- *Sales Tax & License*

- *Seminars*
- *Self Employment Taxes*
- *Subscriptions & Dues*
- *Telephone/Cell Phone Expenses*
- *Tips & Gratuities*
- *Transportation Expenses Travel*
- *Utilities*

You can deduct the wages paid to your children working in your business. Their wages are tax free to them up to the annual limit. At this time that is \$5,700 per year. This is a very powerful tax saving.

Your Home-Based Business Means Tax Savings For YOU!!

As you can see, with a Home-Based Business, you are now entitled to tax deductions that could enable you to save (or spend) thousands of dollars that you would otherwise pay in taxes!! The tax laws are business friendly. These are the same laws which large corporations, such as Microsoft, Wal-Mart, and BP Oil utilize. The only difference between them and you is size.

So, how do you take advantage of these great tax saving benefits and start saving money?

Simple! Think of it as another source of income, or like a part-time job, or like a game. Play according to the rules, be legal and ethical, diligent, and consider using a professional tax preparer. So what does this mean? The IRS requires that you prove you are running a business with the intent to make a profit. Key word is intent. You show this by your activities and with documentation.

To qualify for these benefits, you must be active in your business and keep proper records.

Some Of The Activities Include:

1. The routine activity of telling others about your products and business. We call this prospecting.
2. Attending meetings, calling prospects, customers, and referrals. We call this follow-up.

3. Using the products you are promoting. We call this Shakleeizing your home.

Documentation Is The Key To These Benefits

Documentation is simple to do. You record in your daily planner a brief description of all of your daily business activities and expenses. Keep an auto mileage record book documenting your business travel. Having these records demonstrates to the IRS that you are engaged in a business. *Whether or not it makes a profit is not the question.*

Utilizing These Deductions May Move You To A Lower Tax Bracket, Further Reducing Your Tax Liability.

Again quoting Sanford Botkins, former Director of IRS Audit Division, "The light at the end of the tunnel, for you and millions of others today, is the financial opportunity of starting your own Home-Based Business. The tax advantages alone can make a Home-Based Business the single best financial move you could ever make".

Consult With Your Tax Preparer And Discover How A Home-Based Business Would Benefit You And Your Family.

The famous Judge Learned Hand said in 1935: "Anyone may arrange his affairs so that his taxes shall be as low as possible; he is not bound to choose that pattern which best pays the treasury. There is not even a patriotic duty to increase one's taxes. Over and over again the Courts have said that there is nothing sinister in so arranging affairs as to keep taxes as low as possible. Everyone does it, rich and poor alike and all do right, for nobody owes any public duty to pay more than the law demands".

This brochure is intended only as an information guide and not as a tax planning authority.

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