

Form **1120**Department of the Treasury
Internal Revenue Service**U.S. Corporation Income Tax Return**

For calendar year 2023 or tax year beginning

March, 2023, ending March, 20 24

Go to www.irs.gov/Form1120S for instructions and the latest information.

OMB No. 1545-0123

2023

Income	1a	Gross receipts or sales	1a	12357		
	b	Returns and allowances	1b	1272055		
	c	Balance. Subtract line 1b from line 1a	1c	4547684		
	2	Cost of goods sold (attach Form 1125-A)	2	798565		
	3	Gross profit. Subtract line 2 from line 1c	3	28576		
	4	Dividends and inclusions (Schedule C, line 23)	4	68784		
	5	Interest	5	145763		
	6	Gross rents	6	1235		
	7	Gross royalties	7	1247869		
	8	Capital gain net income (attach Schedule D (Form 1120))	8	242234		
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	15478		
Deductions (see instructions for limitations)	10	Other income (see instructions—attach statement)	10	7894		
	11	Total income. Add lines 3 through 10	11	25475		
	12	Compensation of officers (see instructions—attach Form 1125-E)	12	1247696		
	13	Salaries and wages (less employment credits)	13	12457		
	14	Repairs and maintenance	14	1247454		
	15	Bad debts	15	12745		
	16	Rents	16	12354785		
	17	Taxes and licenses	17	36545		
	18	Interest (see instructions)	18	4577255		
	19	Charitable contributions	19	351424		
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	45775		
Tax, Refundable Credits, and Payments	21	Depletion	21	65456464		
	22	Advertising	22	454455		
	23	Pension, profit-sharing, etc., plans	23	8545456		
	24	Employee benefit programs	24	64532		
	25	Energy efficient commercial buildings deduction (attach Form 7205)	25	15657		
	26	Other deductions (attach statement)	26	15678		
	27	Total deductions. Add lines 12 through 26	27	15690		
	28	Taxable income before net operating loss deduction and special deductions Subtract line 27 from line 11	28	15712		
	29a	Net operating loss deduction (see instructions)	29a	12354785		
	b	Special deductions (Schedule C, line 24)	29b	36545		
	c	Add lines 29a and 29b	29c	4577255		
	30	Taxable income. Subtract line 29c from line 28. See instructions	30	351424		
	31	Total tax (Schedule J, line 12)	31	45775		
	32	Reserved for future use	32	65456464		
	33	Total payments and credits (Schedule J, line 23)	33	454455		
	34	Estimated tax penalty. See instructions. Check if Form 2220 is attached <input checked="" type="checkbox"/>	34	8545456		
	35	Amount owed. If line 33 is smaller than the total of lines 31 and 34, enter amount owed	35	75415		
	36	Overpayment. If line 33 is larger than the total of lines 31 and 34, enter amount overpaid	36	654654		
	37	Enter amount from line 36 you want:				
		Credited to 2025 estimated tax Test Refunded	37	654654		

Form **1120** (2023)

Form **1065**Department of the Treasury
Internal Revenue Service**U.S. Corporation Income Tax Return**

For calendar year 2023 or tax year beginning

March, 2023, ending March, 20 24
Go to www.irs.gov/Form1065 for instructions and the latest information.

OMB No. 1545-0123

2023**Caution:** : Include **only** trade or business income and expenses on lines 1a through 23 below.

See instructions for more information.

Income	1a Gross receipts or sales	12357	1c	4547684
	b Less returns and allowances	1272055	c Balance	1c 4547684
	2 Cost of goods sold (attach Form 1125-A)		2	798565
	3 Gross profit. Subtract line 2 from line 1c		3	28576
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)		4	68784
	5 Net farm profit (loss) (attach Schedule F (Form 1040))		5	145763
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		6	1235
	7 Other income (loss) (attach statement)		7	1247869
8 Total income (loss). Combine lines 3 through 7		8	242234	
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)		9	112476
	10 Guaranteed payments to partners		10	1423
	11 Repairs and maintenance		11	1779823
	12 Bad debts		12	1247696
	13 Rent		13	12457
	14 Taxes and licenses		14	1247454
	15 Interest (see instructions)		15	12745
	16a Depreciation (if required, attach Form 4562)	16a 12354785		
	b Less depreciation reported on			
	Form 1125-A and elsewhere on return	16b 36545	16C	4577255
	17 Depletion (do not deduct oil and gas depletion)		17	36545
	18 Retirement plans, etc.		18	4577255
	19 Employee benefit programs		19	351424
	20 Energy efficient commercial buildings deduction (attach Form 7205)		20	45775
	21 Other deductions (attach statement)		21	65456464
22 Total deductions. Add the amounts shown in the far right column for lines 9 through 21		22	454455	
23 Ordinary business income (loss). Subtract line 22 from line 8		23	8545456	

Schedule K**Partners' Distributive Share Items****Total amount**

Income (Loss)	1 Ordinary business income (loss) (page 1, line 23)	1	12357
	2 Net rental real estate income (loss) (attach Form 8825)	2	1272055
	3a Other gross rental income (loss)	3a 4547684	
	b Expenses from other rental activities (attach statement)	3b 544787	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	45463
	4 Guaranteed payments: a Services 4a 4547684		
	b Capital 4b 544787 c Total. Add lines 4a and 4b	4c	45463
	5 Interest income	5	1247869
	6a Dividends and dividend equivalents: a Ordinary dividends	6a	4547684
	b Qualified dividends 6b 544787		
	c Dividend equivalents 6c 45463		54651632
	7 Royalties	7	54651632
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	798565
	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	798565
	b Collectibles (28%) gain (loss)	9b	798565
c Unrecaptured section 1250 gain (attach statement)	9c	28576	
10 Net section 1231 gain (loss) (attach Form 4797)	10	2467874	



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	11	Other income (loss) (see instructions) Type: _____ Test _____	11	68784
Deductions	12	Section 179 deduction (attach Form 4562)	12	4246787
	13a	Cash contributions	13a	145763
	b	Noncash contributions	13b	15789
	c	Investment interest expense	13c	1235
	d	Section 59(e)(2) expenditures: (1) Type: _____ test _____ (2) Amount: _____	13d	125786
	e	Other deductions (see instructions) Type: _____ test _____	13e	24587
Self-Employment	14a	Net earnings (loss) from self-employment	14a	145763
	b	Gross farming or fishing income	14b	15789
	c	Gross nonfarm income	14c	1235
Credits	15a	Low-income housing credit (section 42(j)(5))	15a	15478
	b	Low-income housing credit (other)	15b	7894
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c	25475
	d	Other rental real estate credits (see instructions) Type: _____ test _____	15d	112476
	e	Other rental credits (see instructions) Type: _____ test _____	15e	112476
	f	Other credits (see instructions) Type: _____ test _____	15f	112476
Inter-national	14	Attach Schedule K-2 (Form 1065), Partners' Distributive Share Items—International, and check this box to indicate that you are reporting items of international tax relevance . . . <input checked="" type="checkbox"/>		
Alternative Minimum Tax (AMT) Items	17a	Post-1986 depreciation adjustment	17a	12357
	b	Adjusted gain or loss	17b	1272055
	c	Depletion (other than oil and gas)	17c	4547684
	d	Oil, gas, and geothermal properties—gross income	17d	544787
	e	Oil, gas, and geothermal properties—deductions	17e	45463
	f	Other AMT items (attach statement)	17f	1247869
Other Information	18a	Tax-exempt interest income	18a	12357
	b	Other tax-exempt income	18b	1272055
	c	Nondeductible expenses	18c	4547684
	19a	Distributions of cash and marketable securities	19a	798565
	b	Other tax-exempt income	19b	24855658
	20a	Investment income	20a	28576
	b	Investment expenses	20b	2467874
	c	Other items and amounts (attach statement)		
	21	Total foreign taxes paid or accrued	21	68784

Form **1065** (2023)

Form **1120-S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**Do not file this form unless the corporation has filed or is
attaching Form 2553 to elect to be an S corporation.Go to www.irs.gov/Form1120S for instructions and the latest information.

OMB No. 1545-0123

2023**Caution:** Include **only** trade or business income and expenses on lines 1a through 22. See the instructions for more information.

Income	1a	Gross receipts or sales	12357			
	b	Less returns and allowances	1272055		c	Balance
	1c				1c	4547684
	2	Cost of goods sold (attach Form 1125-A)			2	798565
	3	Gross profit. Subtract line 2 from line 1c			3	28576
	4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			4	68784
Deductions (see instructions for limitations)	5	Other income (loss) (see instructions—attach statement)			5	145763
	6	Total income (loss). Add lines 3 through 5.			6	1235
	7	Compensation of officers (see instructions—attach Form 1125-E)			7	7894
	8	Salaries and wages (less employment credits)			8	25475
	9	Repairs and maintenance			9	112476
	10	Bad debts			10	1423
	11	Rents			11	1779823
	12	Taxes and licenses			12	1247696
	13	Interest (see instructions)			13	12457
	14	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			14	1247454
	15	Depletion (do not deduct oil and gas depletion)			15	12745
	16	Advertising			16	12354785
	17	Pension, profit-sharing, etc., plans			17	36545
	18	Employee benefit programs			18	4577255
Tax and Payments	19	Energy efficient commercial buildings deduction (attach Form 7205)			19	351424
	20	Other deductions (attach statement)			20	45775
	21	Total deductions. Add lines 7 through 20.			21	65456464
	22	Ordinary business income (loss). Subtract line 21 from line 6.			22	454455
	23a	Excess net passive income or LIFO recapture tax (see instructions)	23a	8545456		
	b	Tax from Schedule D (Form 1120-S)	23b	64532		
	c	Add lines 23a and 23b (see instructions for additional taxes)	23c	15657		
	24a	Current year's estimated tax payments and preceding year's overpayment credited to the current year	24a	5475754		
	b	Tax deposited with Form 7004	24b	764125		
	c	Credit for federal tax paid on fuels (attach Form 4136)	24c	84512		
	d	Elective payment election amount from Form 3800	24d	945657		
	z	Add lines 24a through 24d	24z	5425		
	25	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input checked="" type="checkbox"/>	25	421744		
	26	Amount owed. If line 24z is smaller than the total of lines 23c and 25, enter amount owed	26	3521		
27	Overpayment. If line 24z is larger than the total of lines 23c and 25, enter amount overpaid	27	65427			
28	Enter amount from line 27: Credited to 2025 estimated tax 45475577 Refunded	28	654654			

Schedule K Shareholders' Pro Rata Share Items (continued)

Total amount

(Loss)	1	Ordinary business income (loss) (page 1, line 22)	1	12357
	2	Net rental real estate income (loss) (attach Form 8825)	2	1272055
	3a	Other gross rental income (loss)	3a	4547684
	b	Expenses from other rental activities (attach statement)	3b	544787
	c	Other net rental income (loss). Subtract line 3b from line 3a	3c	45463
	4	Interest income	4	1247869
5	Dividends: a Ordinary dividends	5a	242234	



Tax Year 2021

Income	b Qualified dividends		5b	147865		
	6	Royalties	6	120124		
	7	Net short-term capital gain (loss) (attach Schedule D (Form 1120-S))	7	54651632		
	8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120-S))	8a	798565		
	b	Collectibles (28%) gain (loss)	8b	24855658		
	c	Unrecaptured section 1250 gain (attach statement)	8c	24855658		
	9	Net section 1231 gain (loss) (attach Form 4797)	9	2467874		
Deductions	10	Other income (loss) (see instructions) Type: Test	10	68784		
	11	Section 179 deduction (attach Form 4562)	11	4246787		
	12a	Cash charitable contributions	12a	145763		
	b	Noncash charitable contributions	12b	15789		
	c	Investment interest expense	12c	1235		
	d	Section 59(e)(2) expenditures Type: Test	12d	125786		
Credits	e	Other deductions (see instructions) Type: Test	12e	125786		
	13a	Low-income housing credit (section 42(j)(5))	13a	15478		
	b	Low-income housing credit (other)	13b	7894		
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	25475		
	d	Other rental real estate credits (see instructions) Type: Test	13d	112476		
	e	Other rental credits (see instructions) Type: Test	13e	112476		
	f	Biofuel producer credit (attach Form 6478)	13f	1779823		
Inter-national	g	Other credits (see instructions) Type: Test	13g	112476		
	14	Attach Schedule K-2 (Form 1120-S), Shareholders' Pro Rata Share Items—International, and check this box to indicate you are reporting items of international tax relevance . . . <input checked="" type="checkbox"/>				
Alternative Minimum Tax (AMT) Items	15a	Post-1986 depreciation adjustment	15a	12357		
	b	Adjusted gain or loss	15b	1272055		
	c	Depletion (other than oil and gas)	15c	4547684		
	d	Oil, gas, and geothermal properties—gross income	15d	544787		
	e	Oil, gas, and geothermal properties—deductions	15e	45463		
	f	Other AMT items (attach statement)	15f	1247869		
Items Affecting Shareholder Basis	16a	Tax-exempt interest income	16a	242234		
	b	Other tax-exempt income	16b	147865		
	c	Nondeductible expenses	16c	120124		
	d	Distributions (attach statement if required) (see instructions)	16d	54651632		
	e	Repayment of loans from shareholders	16e	798565		
	f	Foreign taxes paid or accrued	16f	24855658		

Form **1120-S** (2023)



Form

1040

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return

2023

OMB No.
1545-0074IRS Use Only—Do not
write or staple in this
space.

Income

Attach Form(s)
W-2 here. Also
attach Forms
W-2G and 1099-
R if tax was
withheld.

If you did not
get a Form
W-2, see
instructions.

Attach Sch. B
if required.

**Standard
Deduction for—**
• Single or Married
filing separately,
\$14,600
• Married filing
jointly or
Qualifying
surviving spouse,
\$29,200
• If you checked
any box under
Standard
Deduction, see
instructions

1a	Total amount from Form(s) W-2, box 1 (see instructions)		1a	12357		
b	Household employee wages not reported on Form(s) W-2		1b	1272055		
c	Tip income not reported on line 1a (see instructions)		1c	4547684		
d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		1d	544787		
e	Taxable dependent care benefits from Form 2441, line 26		1e	45463		
f	Employer-provided adoption benefits from Form 8839, line 29		1f	1247869		
g	Wages from Form 8919, line 6		1g	242234		
h	Other earned income (see instructions)		1h	147865		
i	Nontaxable combat pay election (see instructions)	1i	120124			
z	Add lines 1a through 1h		1z	54651632		
2a	Tax-exempt interest	2a	798565	b Taxable interest	2b	24855658
3a	Qualified dividends	3a	28576	b Ordinary dividends	3b	2467874
4a	IRA distributions	4a	68784	b Taxable amount	4b	4246787
5a	Pensions and annuities	5a	145763	b Taxable amount	5b	15789
6a	Social security benefits	6a	1235	b Taxable amount	6b	125786
c	If you elect to use the lump-sum election method, check here (see instructions)					
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here				7	7894
8	Additional income from Schedule 1, line 10				8	25475
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income				9	112476
10	Adjustments to income from Schedule 1, line 26				10	1423
11	Subtract line 10 from line 9. This is your adjusted gross income				11	1779823
12	Standard deduction or itemized deductions (from Schedule A)				12	1247696
13	Qualified business income deduction from Form 8995 or Form 8995-A				13	12457
14	Add lines 12 and 13				14	1247454
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income				15	12745

Tax and credits

16	Tax (see instructions). Check if any from Form(s):		16	12354785
	Tax 1 <input checked="" type="checkbox"/> 8814 . 2 <input type="checkbox"/> 4972 . 3 <input type="checkbox"/> 140		17	36545
17	Amount from Schedule 2, line 3.		18	4577255
18	Add lines 16 and 17.		19	351424
19	Child tax credit or credit for other dependents from Schedule 8812.		20	45775
20	Amount from Schedule 3, line 8.		21	65456464
21	Add lines 19 and 20.		22	454455
22	Subtract line 21 from line 18. If zero or less, enter -0-.		23	845445
23	Other taxes, including self-employment tax, from Schedule 2, line 21.		24	75415
24	Add lines 22 and 23. This is your total tax			

Payments

If you have a
qualifying child,
attach Sch. EIC.

25	Federal income tax withheld from:			
a	Form(s) W-2	25a	8545456	
b	Form(s) 1099	25b	64532	
c	Other forms (see instructions)	25c	15657	
d	Add lines 25a through 25c	25d	354565	
26	2024 estimated tax payments and amount applied from 2023 return	26	5475754	
27	Earned income credit (EIC)	27	764125	
28	Additional child tax credit from Schedule 8812	28	84512	
29	American opportunity credit from Form 8863, line 8	29	945657	
30	Reserved for future use	30	5425	
31	Amount from Schedule 3, line 15	31	421744	
32	Add lines 27, 28, 29, and 31. These are your			



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	32 total other payments and refundable credits.	32	3521																	
	33 Add lines 25d, 26, and 32. These are your total payments	33	65427																	
Refund	34 If line 33 is more than line 24, subtract line 24 from line 33 This is the amount you overpaid	34	654654																	
	35a Amount of line 34 you want refunded to you	35a	654654																	
	If Form 8888 is attached, check here <input checked="" type="checkbox"/>																			
	b Routing number <table border="1"><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td></tr></table>	1	2	3	4	5	6	7	8	9										
	1	2	3	4	5	6	7	8	9											
c Type: <input checked="" type="checkbox"/> Checking . <input type="checkbox"/> Savings																				
	d Account number <table border="1"><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>0</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr></table>	1	2	3	4	5	6	7	8	9	0	1	2	3	4	5	6	7		
1	2	3	4	5	6	7	8	9	0	1	2	3	4	5	6	7				
	36 Amount of line 34 you want, applied to your 2025 estimated tax	36	784545687																	
Amount You Owe	37 Subtract line 33 from line 24. This is the amount you owe For details on how to pay, go to www.irs.gov/Payments or see instructions	37	654654																	
	38 Estimated tax penalty (see instructions)	38	76452																	

Form **1040** (2023)

**SCHEDULE C**
(Form 1040)Department of the Treasury
Internal Revenue Service**Profit or Loss From Business**

(Sole Proprietorship)

Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must
generally file Form 1065.Go to www.irs.gov/ScheduleC for instructions and the latest information.

OMB No. 1545-0123

2025Attachment
Sequence No.09**Part I** **Income****1** Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ☐**1****2** Returns and allowances**2****3** Subtract line 2 from line 1**3****4** Cost of goods sold (from line 42)**4****5** **Gross profit.** Subtract line 4 from line 3**5****6** Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)**6****7** **Gross income.** Add lines 5 and 6**7****Part II** **Expenses.** Enter expenses for business use of your home **only** on line 30.**8** Advertising**8****19** Pension and profit-sharing plans**19**Car and truck expenses (see
9 instructions)**9****20** Rent or lease (see instructions):**20****10** Commissions and fees**10****a** Vehicles, machinery, and equipment**20a****11** Contract labor (see instructions)**11****b** Other business property**20b****12** Depletion**12****21** Repairs and maintenance**21**Depreciation and section 179 expense
13 deduction
(not included in Part III) (see
instructions)**13****22** Supplies (not included in Part III)**22**Employee benefit programs (other
14 than on line 19)**14****23** Taxes and licenses**23****15** Insurance (other than health)**15****24** Travel and meals:**24****16** Interest (see instructions):**16****a** Travel**24a****a** Mortgage (paid to banks, etc.)**16a****b** Deductible meals (see instructions)**24b****b** Other**16b****25** Utilities**25****17** Legal and professional services**17****26** Wages (less employment credits)**26****18** Office expense (see instructions)**18****27a** Other expenses (from line 48)
Energy efficient commercial bldgs
b deduction
(attach Form 7205)**27a****27b****28** **Total expenses** before expenses for business use of home. Add lines 8 through 27b**28****29** Tentative profit or (loss). Subtract line 28 from line 7**29**Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829
30 unless using the simplifiedmethod. See instructions. **Simplified method filers only:** Enter the total square
footage of (a) your home:and (b) the part of your home used
for business:Use the Simplified Method Worksheet in the
instructions

to figure the amount to enter on line 30

30**31** **Net profit or (loss).** Subtract line 30 from line 29.**31**

- If a profit, enter on both **Schedule 1 (Form 1040), line 3**, and on **Schedule SE, line 2**.

(If you checked the box on line 1, see instructions.) Estates and trusts, enter on **Form 1041, line 3**.

- if a loss, you **must** go to line 32.



14 Day Home Rental

Under the 14 day Home Rental Rule, Which is part of Section 280A of the internal Revenue Code, US homeowners can rent out their property tax-free for up to 14 days per year.

See Tax code § 280A (g)

Who Can Use the 14 Day Home Rental?



You must own the property you intend to rent



The rental property must be located in the United States



It must be your primary, vacation, or any other personal residence



The total number of days you rent your property must not exceed 14 per calendar year

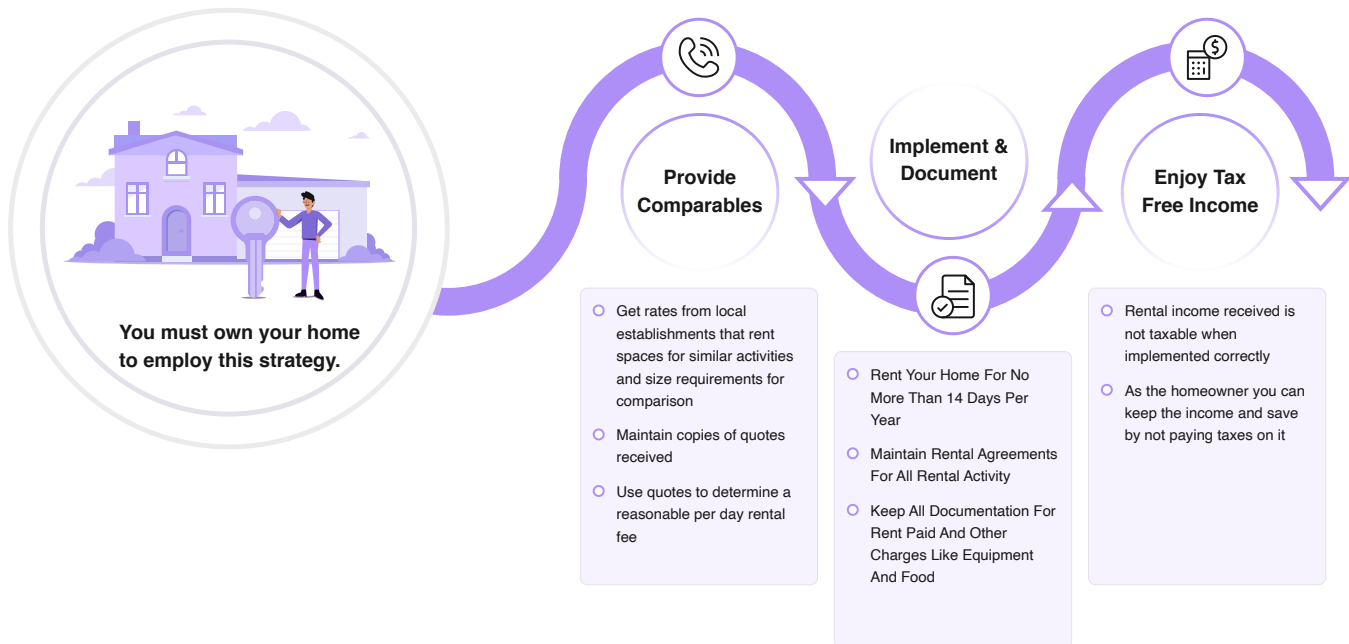


You must charge a fair market rental price at the time of rental

This strategy is also called "The Augusta Rule"

The Augusta Rule appeared thanks to community advocacy. In the 1970s, residents of Augusta, Georgia, lobbied for legislation allowing tax-free rental of their homes to Masters Golf Tournament guests. What started as a local tax relief, is now allowed nationwide.

How it Works



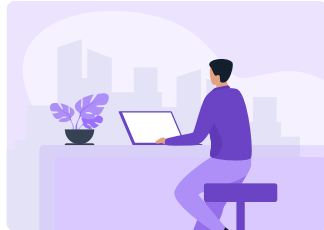


Tax Year 2021

Any Homeowner Can Employ This Strategy



Jim owns a home near a local beach and wants to rent it out for a week while he's out of town



Jim calls to gather quotes from local hospitality businesses in his area who offer similar accommodations



Tom rents the home for his family for the week at Jim's researched per day rental rate



Jim gets to enjoy tax free income from the rental!

Tax Planner Pro Rankings: 14 Days Home Rental

Strategy Overall Benefit

Small Benefit Large Benefit

Difficulty Rating

Easy Setup Difficult Setup

Audit Risk

Audit Unlikely Audit Possible

Aggressiveness Rating

Small Benefit Very High

Implementation Deadline

December 31st of the current tax year

Entity Availability



Sole Prop

Disallowed



S-Corp

Available



Individual

Available



Partnership

Available



C-Corp

Available

DISCLAIMER

Material discussed is meant for informational purposes only, and it is not to be relied on as investment, tax, or legal advice. Although the tax guidance has been gathered from sources believed to be reliable, please note that individual situations can vary. Therefore, the information should be relied upon when coordinated with individual professional advice.

Additionally, at times we may discuss the law or new and pending legislation. Please know our understanding of it is constantly changing, and you cannot and should not rely upon us for legal, financial, or accounting advice.



401 (K) Plan

A 401(K) plan is an employer sponsored retirement account that allows employees to contribute portions of their wages to a retirement plan and receive tax benefits.

See Tax Code 26 U.S. Code § 401(K) - Qualified pension, profit-sharing, and stock bonus plans

Top 6 Benefits Of A 401(K) Plan



Tax Advantages

1

Contributions to a 401(k) are taken directly out of your paycheck before federal income taxes are withheld. Because the contributions are pre-tax, it lowers your total taxable income which means you might owe less in income taxes



You Are In Control

2

You can contribute as much or as little as you want to your account (subject to plan and IRS limits). Plus, you have the flexibility to change your contribution levels at any time (subject to plan limits) dependent on your situation.



Time Is On Your Side

3

The earlier you start investing, the more time your money has to grow. Compounding can have a big impact on long-term investment and should be considered a powerful ally when it comes to saving for retirement.



You Can Take It With you

4

Even if you change jobs, the money you've contributed to your 401(k) and its earnings belong to you.



Easy Payroll Deductions

5

Early contributions and contributing consistently is essential to preparing for retirement, even if it feels lightyears away. With a 401(k), you can make automatic contributions directly from your paycheck.



Save More Than Other Plans

6

If you are going to put more than \$10K a year into a retirement account, 401(K) is usually the best option. If you are over 50, you can make catch up contributions

Types Of 401 (K) Plans

Traditional 401(K)

- A cash or deferred arrangement that allows employees to contribute a portion of their salary before taxes
- You can withdraw money any time after age 59½
 - Withdrawals are subject to income tax

Solo 401(K)

- Also known as an individual 401(k), this plan is for small business owners without employees, or for business owners with a spouse
- You can withdraw money any time after age 59½
 - Withdrawals are subject to income tax

Roth 401(K)

- Contributions are made with money that has already been taxed - similar to Roth IRA
- You can withdraw money any time after age 59½
 - Withdrawals are subject to income tax

Safe Harbor 401(K)

- Similar to a traditional 401(k), but designed to ensure that all employees can participate, not just those who are highly compensated
- You can withdraw money any time after age 59½
 - Withdrawals are subject to income tax

Profit Sharing Plan

- A pre-tax contribution plan that gives employees a portion of a company's profits
- You can withdraw money any time after age 59½ (unless employer has selected a different age).
 - Withdrawals are subject to income tax

SIMPLE 401(K)

- A pre-tax contribution plan for small businesses with under 100 employees
- You can withdraw money any time after age 59½ (unless employer has selected a different age).
 - Withdrawals are subject to income tax



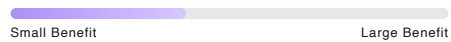
Tax Year 2021

	Traditional 401(K)	Solo 401(K)	Roth 401(K)	Safe Harbor 401(K)	Profit Sharing	SIMPLE 401(K)
Sole Proprietorship	✗	✗	✗	✗	✗	✗
S-Corp with Employees	✓	✗	✓	✓	✓	✓ <small>If under 100 employees</small>
S-Corp Owner Only Employee	✓	✓	✓	✓	✓	✓
C-Corp With Employees	✓	✗	✓	✓	✓	✓ <small>If under 100 employees</small>
C-Corp Owner Only Employee	✓	✓	✓	✓	✓	✓
Partnership with Employees	✓*	✗	✓*	✓*	✓	✓* <small>If under 100 employees</small>
Partnership Owner Only Employee	✗	✗	✗	✗	✗	✗

* A partner can not be a W-2 - employee, so 401 (K) will not benefit the partner.

Tax Planner Pro Rankings: 14 Days Home Rental

Strategy Overall Benefit



Difficulty Rating



Audit Risk



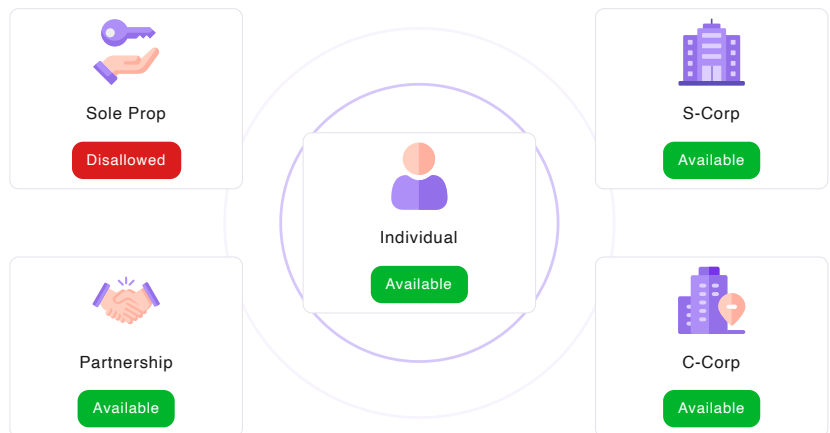
Aggressiveness Rating



Implementation Deadline

December 31st of the current tax year

Entity Availability



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Tax Year 2021

Charitable Contributions

Contributing money to charitable organizations each year can significantly reduce your taxable income while supporting causes that are important to you and your family.

[See Tax Code 26 U.S. Code § 63 - Taxable income defined](#)



Charitable donations can be cash, real estate, motor vehicles, appreciated securities, clothing, and other items like furniture, electronics, etc.



Deductions can be taken in the year they are donated. Deductions are limited to 100% of your AGI for cash gifts to public entities and 30% to private entities.



Donations to political parties, private individuals, fees paid for professional associations or labor unions, and for-profit schools are not deductible.

How To Make Charitable Contributions



Start by deciding what organizations you would like to donate to and research if they are qualified charity. Most will be 501(c)(3) "Exempt Purpose Organizations" and can provide documentation to you when you call.



Make a contribution to the charity by writing a check, charging a credit card, or providing cash to the organization. Be sure to get a receipt any time you donate to a charity.



Many organizations will send you a summary of your donations after the close of the calendar year and will mail you information you may need to report on your tax returns.



Your tax preparer will enter these donations on Schedule A of your Form 1040. Charitable Donations benefit taxpayers who itemize deductions.

Tax Planner Pro Rankings: 14 Days Home

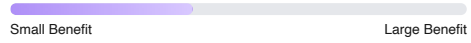
Entity Availability



Tax Year 2021

Rental

Strategy Overall Benefit



Difficulty Rating



Audit Risk

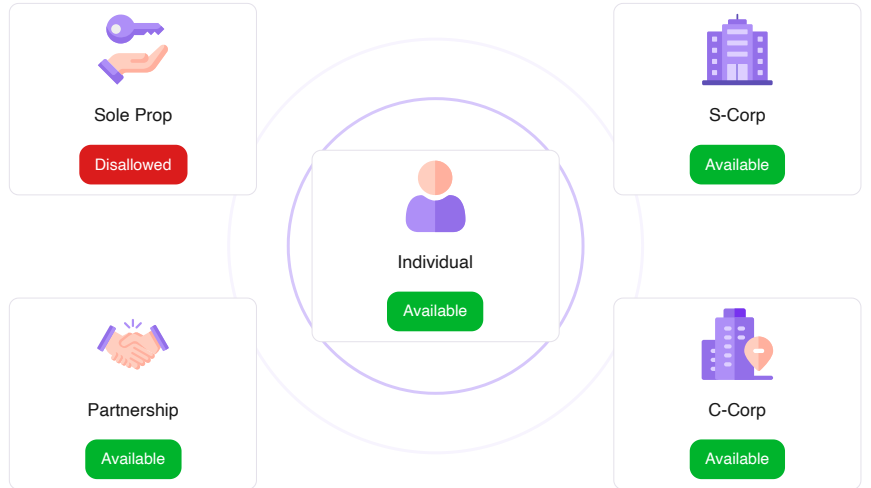


Aggressiveness Rating



Implementation Deadline

December 31st of the current tax year



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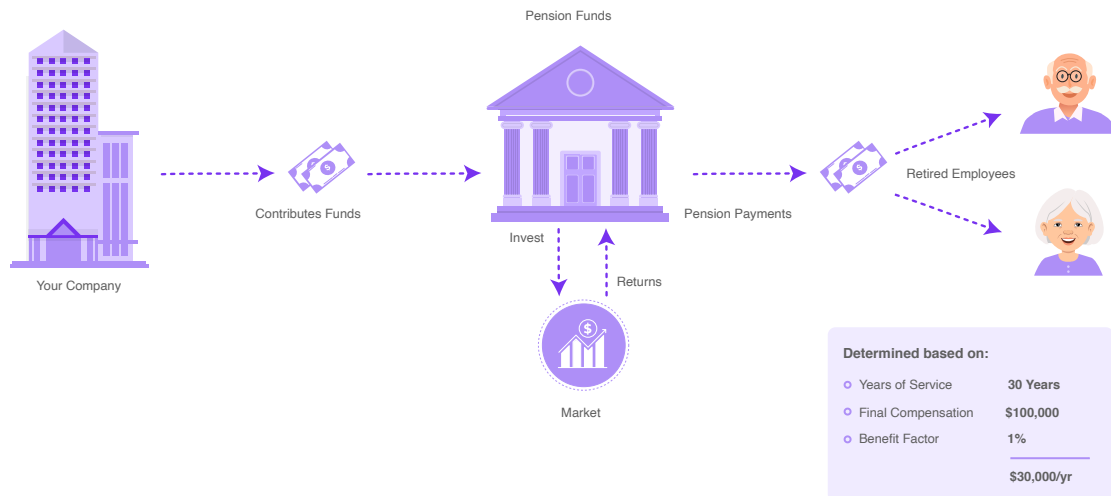


Defined Benefit Plans

Defined Benefit Plans, also called "Pension Plans" provide a fixed, pre-established retirement plan for employees. Creating pension plans for your employees might be a smart move as a business owner. Let's explore some reasons why a pension plan could be beneficial to both you and your employees.

See Tax Code 26 U.S. Code § 401 - Qualified pension, profit-sharing, and stock bonus plans

What Is A Defined Benefit Plan?



Is This Strategy Right For Your Business?



This strategy can be utilized by a business of any size and entity type



Pension plans require an administrator to project how much needs to be contributed to the plan each year



Ensure contribution requirements are met exactly. There are penalties for adding too little or too much



Vesting can follow a variety of schedules from immediate to spread out over 7 years



Contributions are tax deductible for the business



Your company is responsible for managing the investments of the fund. This can be outsourced to a 3rd party



Pension payments can be paid out monthly or as a lump sum upon retirement



Pension plans require you to file a Form 5500 with Schedule SB each year



Advantage

- Contributions are tax deductible for the business
- Can be used alongside other retirement plans



Disadvantage

- Most costly type of plan
- Most administratively complex



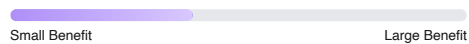
Tax Year 2021

- Can be used for a business of any size
- Substantial benefits can be provided and accrued within a short time — even with early retirement
- Employers can contribute (and deduct) more than under other retirement plans
- Plan provides a predictable benefit
- Vesting can follow a variety of schedules from immediate to spread out over seven years
- Benefits are not dependent on asset returns
- Plan can be used to promote certain business strategies by offering subsidized early retirement benefits
- Can be paid out as a monthly benefit or as a lump sum payment
- Advantageous for businesses that are looking to offset large amounts of taxable income

- An excise tax applies if the minimum contribution requirement is not satisfied
- An excise tax applies if excess contributions are made
- Requires filing of Form 5500 with a Schedule SB
- Cannot retroactively decrease benefits
- Company must be responsible for managing the plan's investments and risk
- Business will need a pension administrator responsible for fund management
- Once set up, this plan is difficult to turn off

Tax Planner Pro Rankings: 14 Days Home Rental

Strategy Overall Benefit



Difficulty Rating



Audit Risk



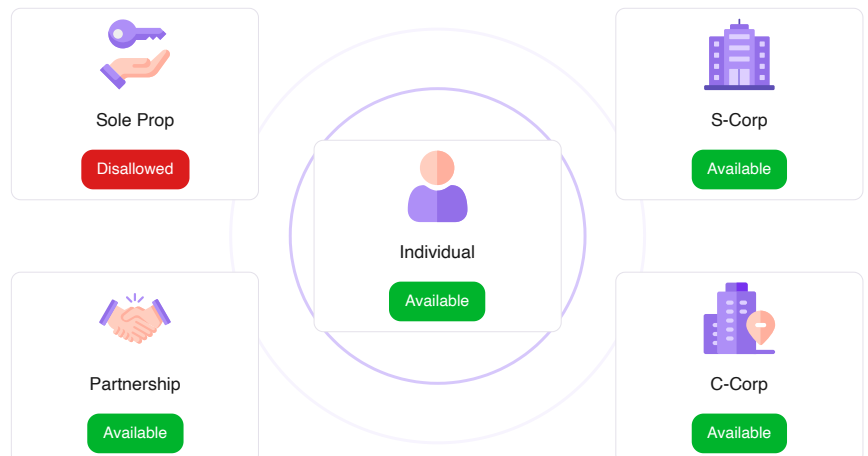
Aggressiveness Rating



Implementation Deadline

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Entity Availability



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Employing Your Children

If you have children between the ages of 7-22, you can employ them in your business and pay them a reasonable wage at or under the standard deduction, and receive a tax free benefit to your business while they receive tax free income

See Tax Code 26 U.S. Code § 63 - Taxable income defined

Why Should You Employ Your Children?



If you follow IRS rules, hiring your child to work for your business can lower your taxable income as you can deduct their salaries from your business income



If your child is under 18, and depending on the type of business you have, you won't have to take Social Security and Medicare taxes from their pay

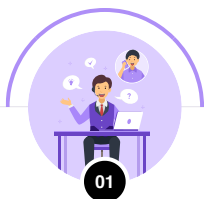


Your child won't have to pay taxes if their income for a given tax year is less than the standard deduction amount for that year



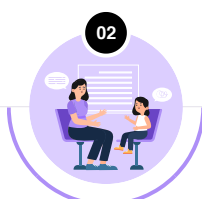
Because your child will have earned income, you can contribute to an IRA on their behalf subject to applicable IRA contribution limits

How to Implement This Strategy



Contact your payroll company and add your child as a W-2 employee.

Depending on the business type, the child may be exempt from FICA and Unemployment tax (see chart below for details)



Find a job that is suitable for your child based on age and abilities. Some examples include:

- Cleaning the office
- Washing company cars
- Simple to advanced data entry
- Trips to the post office or general errands
- Updating social media accounts
- Helping at the office, passing out flyers, etc.



Pay a reasonable wage by check and deposit into a bank account in their name

Be aware of minimum wage and child labor laws for your state and Federal rules and regulations



Your child will need to file their own tax return each year.

If they make at or below the standard deduction, they will pay no federal income tax



Your Business Type Matters

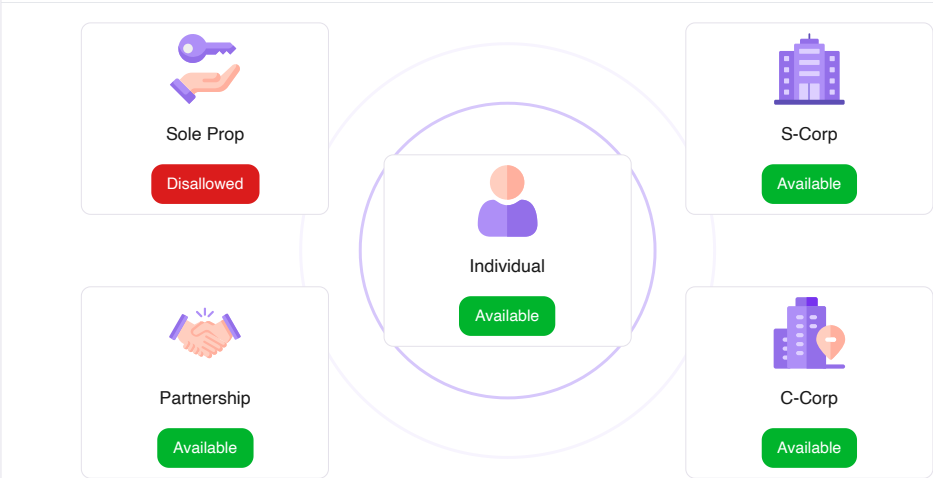
When you hire your child to work for your business, the applicable taxes may vary depending on your business type. Regardless of age, however, payments to your child for work are subject to income tax withholding

	Parent's Sole Proprietorship Child Age Under 18 Years	Parent's Sole Proprietorship Child Age Over 18 Years	Partnership With Parents as Partners Child Age Under 18 Years	Partnership With Parents as Partners Child Age Over 18 Years	Corporation, Partnership, or Estate Child Age Under 18 Years	Corporation, Partnership, or Estate Child Age Over 18 Years
Subject to Social Security & Medicare Taxes						
Subject to Federal Unemployment Tax (FUTA)						
Subject to Income Tax Withholding						

Tax Planner Pro Rankings: 14 Days Home Rental



Entity Availability



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Expense Acceleration

Expense acceleration is increasing your business expenses in the current year on goods or by prepaying operating costs you would normally spend in the next year. Therefore it brings the deduction into this year rather than next year. These can be simple expenses like paper or office supplies to more complex items like cars, trucks and buildings.

See Tax Code 26 U.S. Code §461 - General rule for taxable year of deduction

The 12-Month Rule

For cash basis taxpayers, prepaid expenses can be deducted as long as the 12-month rule is met

- The "12-month rule" allows for the deduction of a prepaid expense in the current year if the right or benefit paid for does not extend beyond the earlier of:
 - 12 months from the date the prepayment is made, OR
 - The end of the taxable year following the taxable year in which the payment is made.

Employing the 12-Month Rule



Paul and Emily own a small cash basis business and are looking to reduce their taxable income by pre paying some business expenses



They decide to make the following payments on June 30th of this year

- \$10,000 for the next 10 months of utilities
- \$12,000 for insurance over the next 24 months
- \$9,600 for the next 8 months of interest on a business loan

What Can Paul & Emily Deduct This Year?

- They can deduct all \$10,000 for the utilities because:
The benefit is not more than 12 months and the benefit ends prior to the end of next year.
- They can deduct \$6,000 for insurance because:
The payment is more than 12 months so they can only deduct 12 months (\$500 per month)
- They can deduct \$7,200 for interest because:
The 12 month rule does not apply to interest

The All Events Test & Economic Performance Test

For accrual basis taxpayers, the rules are more complicated.

There are two tests that must be met before the taxpayer can apply the 12-month rule.

- The general rule is that the taxpayer cannot deduct a prepaid expense until the obligation to pay is fixed (all necessary events have occurred to establish liability), the cost is determinable, and the prepaid services or property are actually provided to the taxpayer (economic performance).
 - There are a few notable exceptions where a cash payment results in economic performance. Common items include insurance contracts, warranty contracts, taxes, and workers' compensation liability.



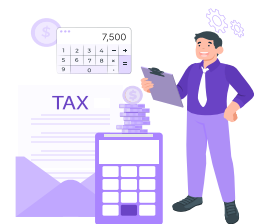
Employing the All Events & Economic Performance Tests



Ben has signed a binding contract for **Peter** to provide **Ben** with repair services for \$7,500 for his accrual based business

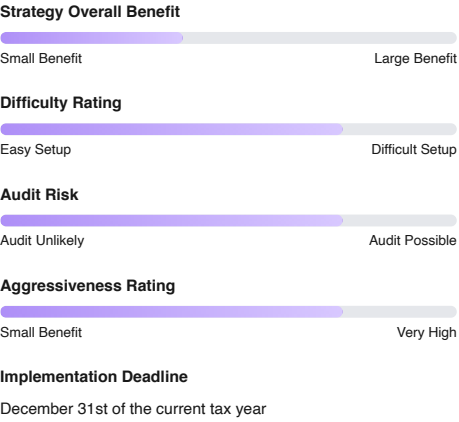


Ben paid \$1,500 to **Peter** as a deposit for the work and owes an additional \$6,000 on the contract. The repairs will commence next year

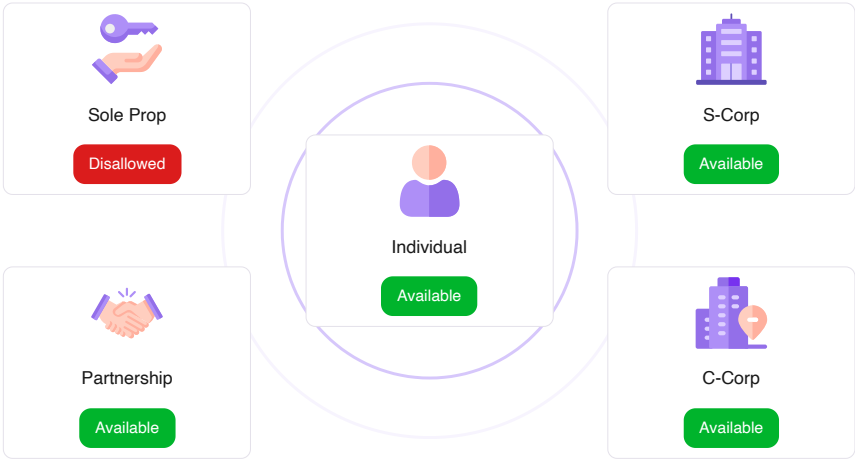


Although the All Events Test is satisfied, **Ben** can only deduct the full \$7,500 expense next year because that is when the Economic Performance occurs (taxpayer liable for performing service)

Tax Planner Pro Rankings: 14 Days Home Rental



Entity Availability



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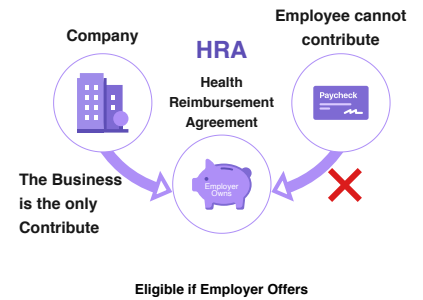
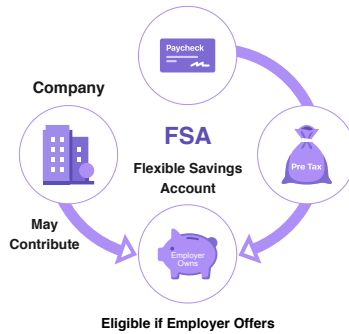
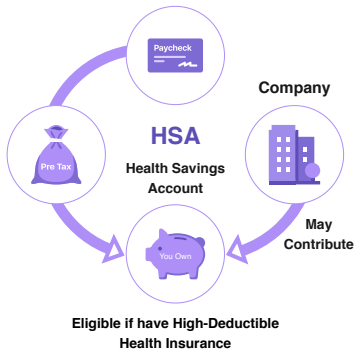
Tax Year 2021

Health Savings Accounts

Health Savings Accounts, Flexible Spending Accounts, and Health Reimbursement Agreements all help you save tax dollars on medical spending. The options vary as explained below.

See Tax code 26 U.S. Code § 223 - Health Savings Accounts Code § 213(d): Health Reimbursement Arrangements Code § 125: Cafeteria Plans

Health Saving Accounts



Where to use these accounts?

All can be used for



Co-Pays



Deductibles



RX



Physical Therapy



Glasses & Contacts



Orthodontics

Whats the difference in these accounts?

BIG DIFFERENCE



FSA & HRA

Lose money if you don't use



HSA

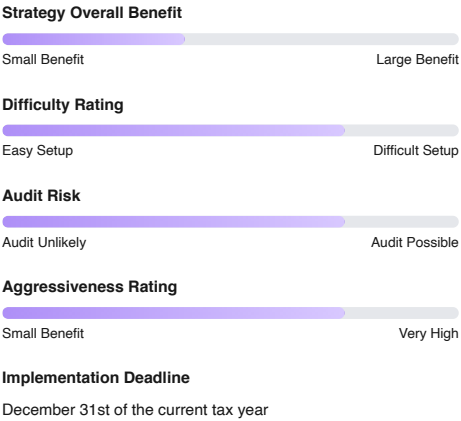
Money stay in account if unused

Health Savings Account (HSA)	Flexible Spending Account (FSA)	Health Reimbursement Agreement (HRA)
Must have a Hige-Deductible Health Plan that meets the IRS guidelines for eligibility.	Employer must offer the plan through your work but you do not need to have a health plan.	Employer must offer the plan through your work and is usually connected to a health plan.

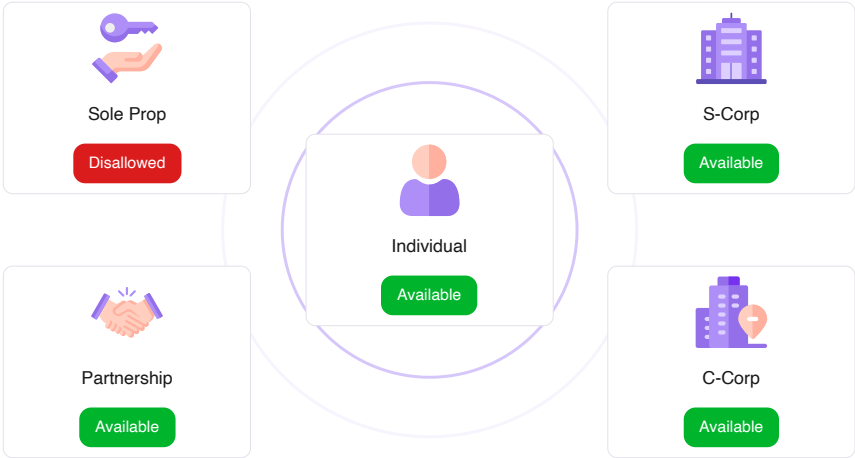


Health Savings Account (HSA)	Flexible Spending Account (FSA)	Health Reimbursement Agreement (HRA)
You put money in just like you would a bank account. Your employer can also put money in.	Employer pulls money from your paycheck before taxes and funds the account.	Employer funds the account from business operations.
If you don't spend the money each year, it stay in the account and can even be invested.	Employer can allow a small amount to be rolled over each year, otherwise money is lost.	Employer can allow a small amount to be rolled over each year, otherwise money is lost.
You own the account, regardless of where you work or job changes.	Employer owns the account and if you leave the job you lose the money	Employer owns the account and if you leave the job you lose the money

Tax Planner Pro Rankings: 14 Days Home Rental



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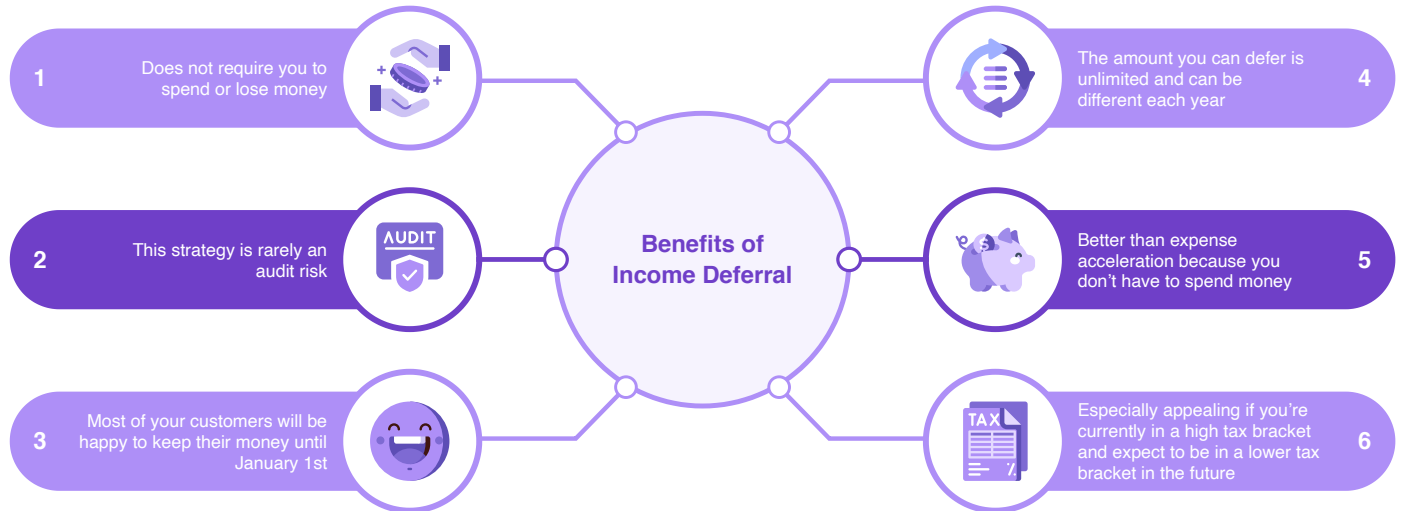


Income Deferment

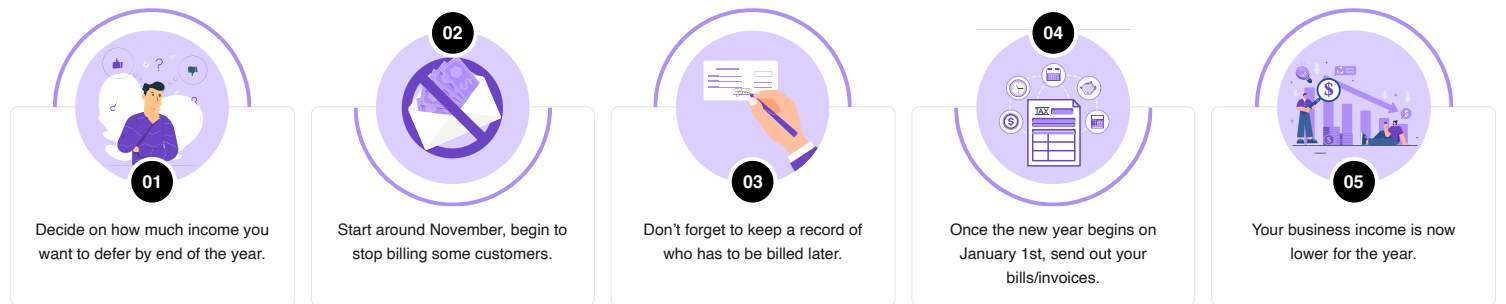
Income Deferment is postponing income to a later year in order to minimize your current income tax liability. This means you would reduce your billings and collections from customers at year end, in most cases you will then bill the customer after January 1st so the income is counted in the following year

See Tax Code 26 U.S. Code §461

Benefits of Income Deferral



How to Implement Income Deferment





Ways to Delay Payments



Hold off on sending invoices to customers



Inform clients to delay payments until after January 1st



Turn off collections for late payers until after the end of the year



Pause automatically recurring invoices

When is Deferring Income Not a Good Idea?

If deferring income creates a scenario where you will be in a higher tax bracket in the next year, this may not be an optimal strategy. Income deferral works best when you plan to be in the same or a lower tax bracket for the following year.

Tips for Success Deferring Income



Track your billing

Always keep track of who owes you money. Be sure to send invoices right after 1st of January



Budget Appropriately

Don't over-extend yourself. Saving on taxes is not worth going broke in the process



Communicate with your customers

Keep customers aware of delayed billing. They may have questions to help them understand the plan



Consider the following tax year

Remember that the income will show up in the following year. Be sure you know how that will impact the next year taxes



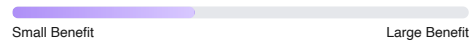
Select customers carefully

Generally only do this with "Good Payers" not customers who tend to pay slow or late



Tax Planner Pro Rankings: 14 Days Home Rental

Strategy Overall Benefit



Difficulty Rating



Audit Risk



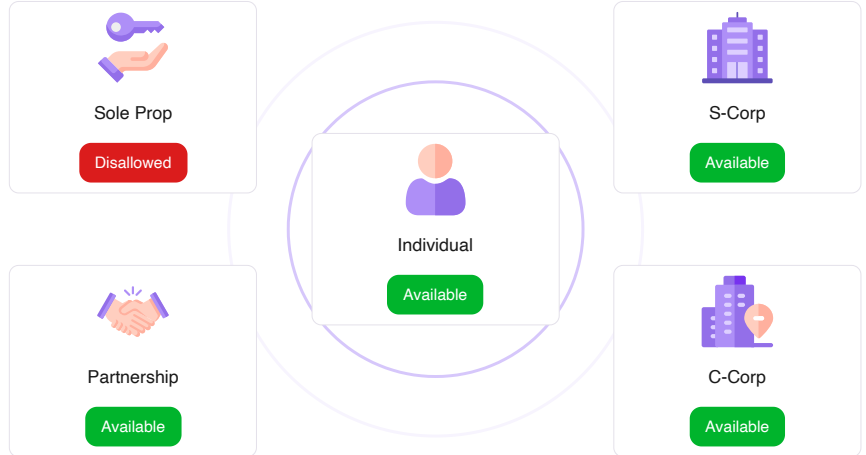
Aggressiveness Rating



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SEP IRA

The SEP IRA is a type of Individual Retirement Account that allows self-employed businesses and their employees to utilize the account to receive tax deferred savings benefits. A business of any size, even self-employed, can establish a SEP.

[See Tax Code 26 U.S. Code § 1.408A-8 Definitions \(3\)](#)

Key Advantages of a SEP IRA



Higher contribution Limits

For those eligible, SEP IRA contribution limits are much higher than traditional or Roth IRAs.



Simplicity

The SEP IRA is relatively simple to set up and administer, with new reporting requirements.



Tax Benefits

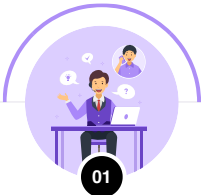
Contributions are tax-deductible for the employer and grow tax-deferred for the employee until withdrawal.



Flexibility

Employers are not required to contribute every year, so it can be more flexible than other types of retirement plans.

How to Setup a SEP IRA

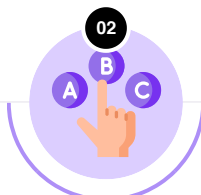


01

Determine Eligibility

Employer Eligibility: Any business owner, including sole proprietors, partnerships, corporations, and even some non-profits, can set up a SEP IRA.

Employee Eligibility: Employees are eligible if they are 21 years old or older, have worked for the employer for at least 3 of the last 5 years.



02

Choose a Financial Institution

You need to select a financial institution (bank, brokerage firm, or mutual fund company) to open the SEP IRA accounts.

Most large financial institutions, like Vanguard, Fidelity, Schwab, and others, offer SEP IRA plans.



03

Create a SEP Plan

To set up the plan, you'll need to complete a SEP IRA plan adoption agreement. This document outlines the terms of the plan and how it will be administered.

Most financial institutions provide a simple pre-approved SEP IRA adoption agreement.



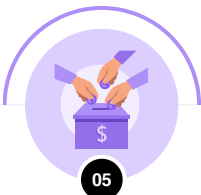
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Set Contribution Rules

Contributions to SEP IRAs are made by the employer only. For 2024, the contribution limit is:

The lesser of 25% of an employee's compensation or \$69,000

Self-employed individuals can contribute up to 20% of their net earnings (after deducting business expenses and the SEP IRA contribution).



05

Make Contributions

As the employer, you decide how much to contribute each year, but contributions must be made in the same percentage for all employees.

Self-employed contribution: if you're self-employed, your contribution is based on your net earnings from the business, taking



06

Inform Your Employees

If you have employees who are eligible, you must notify them that a SEP IRA plan is in place and provide the necessary paperwork to allow them to open their own SEP IRA accounts.

Employees are not required to contribute to their own SEP IRA; it is solely the



07

Make Ongoing Contributions

Contributions are due by your business's tax filing deadline (including extensions). If you're a self-employed person, you can make contributions up until the due date of your tax return, including extensions.



08

Maintain Records

Keep accurate records of contributions to the SEP IRA for both yourself and any employees. This will be important for tax purpose and in case of any IRS inquiries.



into account the deduction for the SEP contribution itself.

employer's responsibility to contribute.

Example of a SEP IRA Contribution



Let's say you own a business and pay yourself a salary of \$60,000. If you're contributing 25% of your compensation (the maximum for SEP IRAs), your contribution for the year would be:

$\text{Contribution} = 25\% \text{ of } \$60,000 = \$15,000$ to your own SEP IRA.



If you also have one employee earning \$50,000, you would contribute the same percentage (25%) to their SEP IRA as well:

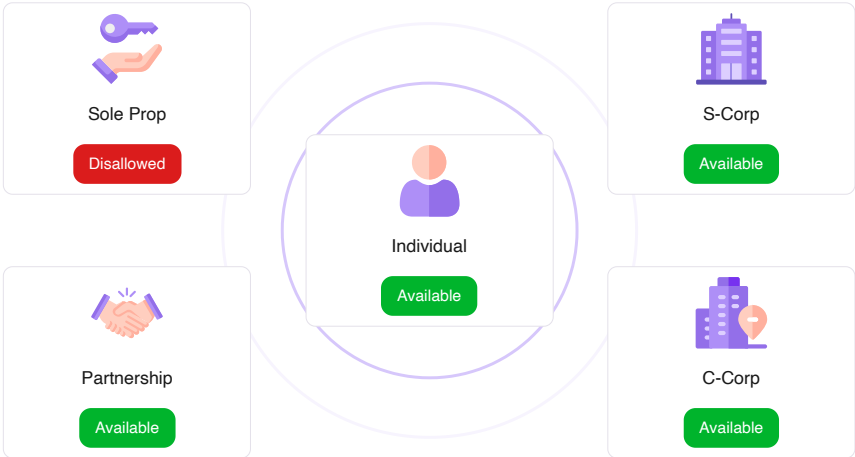
$\text{Contribution for employee} = 25\% \text{ of } \$50,000 = \$12,500$ to the employee's SEP IRA.

In this case, you would deduct both the \$15,000 for yourself and the \$12,500 for your employee as business expenses, which reduces your taxable income for the year.

Tax Planner Pro Rankings: 14 Days Home Rental



Entity Availability



DISCLAIMER

Material discussed is meant for informational purposes only, and it is not to be relied on as investment, tax, or legal advice. Although the tax guidance has been gathered from sources believed to be reliable, please note that individual situations can vary. Therefore, the information should be relied upon when coordinated with individual professional advice.

Additionally, at times we may discuss the law or new and pending legislation. Please know our understanding of it is constantly changing, and you cannot and should not rely upon us for legal, financial, or accounting advice.