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Now is the time to start thinking about your 2020 income taxes. This tax planning worksheet is designed to assist you uncover areas that could help reduce your tax bill if you are self-employed. Review each area below marking an X in the box when an area applies to your situation. Record questions in the notes box. Then call your tax advisor to review the strategies you have marked along with your questions.

Schedule C Year End Tax Planning Guide	
Here are some ideas you can use to help reduce your 2020 and 2021	
Planning Considerations	Notes
<input type="checkbox"/> Form of Business . Consider whether another legal form of business is appropriate [for example, corporation, subchapter S corporation or limited liability company (LLC)], given such issues as the deduction for qualified business income, legal liability and double taxation?	
<input type="checkbox"/> Hobby Loss Rules . If there is consistently a net loss, review the business to determine if it is subject to the hobby loss rules and, if so, consider planning strategies to help avoid these rules.	
<input type="checkbox"/> Employing Family Members . Consider the tax benefits of employing family members in the business such as (1) shifting income to lower tax rate family members; (2) reducing self-employment (SE) income by employing an under-age- 18 child; and (3) if the spouse is the business's only employee, obtaining a 100% deduction for health costs by setting up a medical reimbursement plan for the spouse/employee. The increased wages for the business may also help increase the QBI deduction.	
<input type="checkbox"/> Additional Medicare Tax . Self-employment earnings over a certain threshold are subject to the 0.9% additional Medicare tax. The threshold is \$200,000 (\$250,000 for joint filers; \$125,000 if MFS), reduced by wages considered for FICA tax. Taxpayers potentially subject to the additional Medicare tax might consider using an S corporation to reduce that tax.	
<input type="checkbox"/> Qualified Business Income . If taxable income exceeds \$326,600 (for MFJ; \$163,300 for Single and HOH; \$163,300 for MFS), strategies for maximizing the QBI deduction should be considered?	
Expenses	Notes
<input type="checkbox"/> Retirement Plan Options . The self-employed taxpayer's should consider taking advantage of the deductions allowed for contributions to profit-sharing, SIMPLE, or SEP retirement plans. A 401(k) plan is also an option, especially if there are no other employees.	
<input type="checkbox"/> Health Care Costs . Self-employed taxpayer's should consider the tax advantages of establishing and contributing to a health savings account (HSA). HSAs can be set up for individuals with certain high- deductible health insurance policies. Also, eligible sole proprietors that do not offer group health insurance coverage to their eligible employees should consider offering a qualified employer health reimbursement arrangement (QSEHRA).	

<input type="checkbox"/>	<p>Medical Insurance Premiums . Self-employed taxpayer's generally claim medical insurance premiums as an adjustment to income rather than an itemized deduction. Self-employed taxpayers who can employ only their spouse in their business may be able to provide health insurance to the employee/spouse and deduct the premiums on Schedule C, which reduces SE income. S-Corporation shareholders need to be sure health insurance is included on their W-2 and they they have wages.</p>	
<input type="checkbox"/>	<p>Business Property Purchased . Consider using the Section 179 deduction to expense qualifying property to reduce SE income and avoid the midquarter convention. Also consider purchasing business property eligible for bonus depreciation. Section 179 can be used to expense up to \$1,040,000 in 2020.</p>	
<input type="checkbox"/>	<p>Home Office . Are you or could you be eligible to claim business deductions for a portion of the home used exclusively and regularly as the principal place of business? This opportunity may be more frequently encountered as taxpayers shift to operating a business from their home full time in response to the COVID-19-related economic downturn and social distancing considerations.</p>	
<input type="checkbox"/>	<p>Business Travel . If you are incurring significant travel costs, review your travel policies and procedures with your tax advisor to be sure you have required records. Take advantage of planning strategies to ensure travel qualifies as “away from home,” convert commuting expenses into deductible travel, preserve deductions for combined business and pleasure travel, and ease the recordkeeping burden.</p>	
<input type="checkbox"/>	<p>Entertainment Expenses . Since business entertainment expenses are no longer deductible, pay close attention to these to minimize the amount of nondeductible expenses? Be sure to keep non-deductible entertainment seperated from deductible means and travel.</p>	

Other items to review:
