



## “TAX TIPS FROM TAXBRAINIA X”

### Tax Tips for Beauty & Barber Shops – How to Start, Grow and Succeed!

If you own a beauty or barber shop, or are self-employed, or desire to open your own beauty or barber shop, check out our tips on how to start, grow, and succeed in this industry.

- **Business Structure** – one of the first things you need to decide is the type of structure you desire for your business. The most common types are sole proprietor, partnership, or corporation. The type of business you choose will determine which tax forms you will file. You may have employees or rent space to someone who is self-employed. Call #TaxBrainiaX at 888-764-2805 for assistance in setting up your business, or restructuring one that is already in existence.
- **Report Tip Income** – all tips you receive are taxable income. If you have employees who receive \$20 or more in cash tips in any one month, they must report them to you. You must withhold federal income, Social Security and Medicare taxes on the reported tips. Call #TaxBrainiaX at 888-764-2805 for assistance.
- **Business Expenses** – You can deduct ordinary and necessary expenses that you pay to run your business. An ordinary expense is a common and accepted cost for that type of business. A necessary expense is a cost that is proper for that type of business. For example, cosmetologists are often required to get a license or pay for a permit or certification. You can deduct these costs as business expenses in most cases. Call #TaxBrainiaX at 888-764-2805 for assistance.

- **Estimated Tax** – If you are self-employed you may need to make estimated tax payments. In most cases you pay this tax in four installments each year. If you do not pay enough tax during the year, you may owe a penalty. Call #TaxBrainiaX at 888-764-2805 for assistance.
- **Depreciation of Assets** – You can deduct the cost of some assets over a number of years. For example, if you buy equipment and furniture, you should depreciate the cost of those items since you will normally use them for more than one year. Call #TaxBrainiaX at 888-764-2805 for assistance.
- **Filing your Taxes** – If you have employees, the IRS offers electronic filing options for your federal payroll tax returns. IRS e-file is fast, safe and accurate. You'll also receive an electronic acknowledgment when the IRS accepts your e-filed return. You can use EFTPS to make any federal tax payments. #TaxBrainiaX is an approved e-file provider and can assist you with setting up your EFTPS account. Call #TaxBrainiaX at 888-764-2805 for assistance.
- **Keeping Records** – Everyone in business must keep records. You need good records to prepare your tax returns. You must have records to support the income, expenses, and credits that you report. Good records can help you keep track of your business. They can also increase the likelihood of business success. #TaxBrainiaX offers monthly bookkeeping services; call us for a free consultation. Call #TaxBrainiaX at 888-764-2805 for assistance.

If you did not file your 2014 tax return, pick up the phone and call **TaxBrainiaX** today at **888.764.2805** for a free consultative phone call on how to handle unfiled taxes. If you owe the IRS and do not have the money to pay, call **TaxBrainiaX** and we can assist you in making arrangements for payment that will fit your financial needs. We are here to assist you and provide professional and personalized service to our clients....you won't be sorry you called us!!!

*The Staff of TaxBrainiaX, Inc.*

"Taxation with Smart Representation"