

## EXAMPLE ONLY, USE WITH BUSINESS WORKSHEET

### Business Worksheet Example 2

- (2) Individual Name: John Tool, Jim Beam  
(4) Business Name: John's Cat Food Store  
(5) IRS's employer's ID # 37-1234567  
(6) Retail Store
- (1) Entity Type: LLC, 50/50 owned by two friends  
(3) SSI for John is 111-11-1111, Jim's 222-22-2222  
(7) Cat Food and supplies

- Sales Include:** (8) Checks received of \$ 28,000, and Cash received of \$ 3,500, total of \$31,500  
(9) Wholesale sales to Mimi's Cat Sales via 1099 \$ 10,000 (10) Interest from business bank of \$ 10.00  
(11) Credit Cards: \$ 100,000 (*before merchant fees of \$ 2,200 paid the bank*)

PRODUCT COST/Inventory: (all at COST BASIS)

- (12) Previous year's ending inventory was at \$ 12,500, this being this year's beginning inventory  
(13) Purchased \$ 50,000 worth of new cat food (to be sold) from Purina Foods  
(14) Ending inventory, cost basis not retail, was \$ \$ 13,500  
Therefore...Inventory Grew by \$ 1,000 during year, and amount either sold or spoiled was \$ 49,000

### Expenses Include:

- A. VEHICLE INFORMATION: Mileage: Owns a 2010 Pickup first placed in business on 2/1/2012, in which he put on 16,000 Miles, 90% of it business. He put \$ 500 in repairs, \$ 3,000 in gas for the truck and \$ 100 in tolls.  
B. CONTRACT LABOR: He hired Joe Tucker, SSI 111-44-2222 as a contractor during the summer to help with the extra work...and paid Mr. Tucker \$1650.  
C. ACCOUNTING: He hired TUCKER CPA to assist with the monthly bookkeeping and payroll, at \$ 300 a month or \$ 3,600 for the year.  
D. ADVERTISING: advertises with AT&T in yellow-pages, \$ 4000.  
E. COMMISSION: Paid Mohsen Mago, SSI 333-33-3333, \$ 3000, considered a 1099 commission.  
F. EMPLOYEE PAYROLL: reported to IRS with 941 and W2 payroll filings, \$ 60,000.  
G. EMPLOYER PAYROLL TAXES for item F above: FICA taxes (6.2%) or \$ 3,720, Medicare (1.45%) \$ 870, & Texas Workforce Unemployment of \$ 900 and Federal Unemployment of \$ 90.  
H. BANK CHARGES: Besides the merchant fees of \$ 2,200 from item (11) above, he paid \$ 10 a month to the bank, or \$ 120 for the year for bank fees.  
I. CELL PHONE: Family cell phone bill 5 business used cell phones was \$ 500 a month.  
J. TELEPHONE: Office line and separate Fax line, \$ 1500 for year.  
K. INTERNET COST: \$ 40 a month, with computer used 100% for business.  
L. OFFICE EXPENSES: business ink, paper, pens, sales receipts, etc. at \$ 5000 for year.  
M. RENT: \$ 3000 a month, 12 months.  
N. REPAIRS AND MAINTENANCE: Paid \$ 500 to fix Chevy Truck and \$ 350 to fix Business Computer  
O. HOME OFFICE: John uses part of residence to pay business sales tax and count daily receipts. Rents apt at \$ 1,000 a month for 12 months. Sq. footage of apt is 1200 sq. footage of which 300 sq. foot is used exclusively (2<sup>nd</sup> bedroom) as home office. Utility bills are \$ 100 a month.  
P. BUSINESS Meals: Taking Vendors or Clients out to lunch, \$ 2,000.

### COMMENTS:

- A. Vehicle Info: Client taking standard mileage rate for 2018 at .545 per mile. This is in clients favor, but cannot take repairs or gas. Instead, taking \$ 7,848 in standard mileage deduction. Tolls to be taken in Travel Section.  
B. Contract Labor....deducting contract labor of \$ 1650. Contractor will be given a 1099 by Client for tax reporting.  
N. REPAIRS: Cannot take repairs to Vehicle...as taking standard mileage allowance in A. above.  
O. HOME OFFICE: 300 sq. ft. used by business divided by total sq. footage of 1200 equates to 25% of expenses to be deducted.

