

Business Worksheet Example 3

- (1) Entity Type: **S-Corp** (2) Individual Name: One owner (Sara Higgins)
(3) SSI: n/a (4) Business Name: Sara's Apt Leasing, Inc
(5) EIN: 47-5555555
(6) Real Estate Agent, not broker. Principally from Apartment Location Services.
Sales Include: (7) 1099 from WTB, a brokerage company for commissions of \$65,000
Plus...had two independent House Closings, commissions of \$7,100

Expenses Include:

- A. **VEHICLE INFORMATION***: Mileage: Owns a 2017 BMW, 760I which he put 31K on it in 2019, 90% of business. He paid \$5,000 in repairs and \$3,000 in gas for the car; and \$100 in tolls. Utilizing MILEAGE LOG!
- B. **CONTRACT LABOR***: Hired Jenny Lee, SSI 111-44-2222 as a contractor during the summer to help with appointment scheduling and "make ready's". Paid Jenny \$ 800.
- C. **ACCOUNTING**: Paid TUCKER CPA to assist with the monthly booking, at \$100 a month or \$1,200 for the year.
- D. **ADVERTISING***: Co-paid 'Gift Cards' for use as referral bonus (LEADS) with WTB Broker. 50/50 paid \$2,400.
- E. **BANK CHARGES** of \$10 a month to the bank, or \$120 for the year.
- F. **CELL PHONE***: Family cell phone bill for company and mother was \$200 a month, or \$100 a month for business portion.
- G. **COMPUTER EXPENSES**: Bought a new 'Lead' Software for \$125 on Discover Card.
- H. **CONTINUING EDUCATION**: Took 20 continuing education hours in real estate to maintain and improve understanding of occupation and for the mandatory CPE needed hours (\$500).
- I. **INTERNET COST***: \$40 a month, with computer used **50% for business**.
- J. **OFFICE EXPENSES**: business ink, paper, pens, sales receipts, etc. at \$1,200 for year. Purchased a Digital Camera on 02/01/19 for \$600 to take pictures of Business Real Estate for benefit of company and/or clients.
- K. **PAYROLL**: Since this is an 'S Corporation', owner must pay themselves a fair and reasonable wage. In this case, wage is \$15,000 and company paid taxes are SSI @ 7.65% (\$1,147.50), TWC at \$243 and FUTA at \$42.
- L. **REPAIRS AND MAINTENANCE***: Paid \$5,000 to fix BMW auto and \$350 to fix Business Computer
- M. **HOME OFFICE***: 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 (2nd bedroom) as home office. Utility bills are \$100 a month.
- N. **MEAL ***: Spent \$1,600 to buy perspective clients and clients lunch. Bought boyfriend dinner at Sullivan's \$200, and attending Houston Real Estate Convention with food expenses of \$20.

*** COMMENTS:**

- A. Vehicle Info: Client taking standard mileage rate for 2019 at .58 per mile. This is in favor of taxpayers but cannot take repairs or gas. Instead, taking \$ 16,182.00 in standard mileage deduction. Tolls to be taken in "Parking Fees & Tolls" Section.
- B. Contract Labor: deducting contract labor of \$ 800. Contractor will be given a 1099 by Client for tax reporting.
- D. Taking 50% of advertising as Advertising expense or \$ 1,200.
- F. CELL PHONE: only deducting business portion, or \$ 1200
- I. INTERNET: Only 50% or \$ 240 for year
- J. Digital camera considered a 'Fixed Asset', which will be depreciated by tax preparer.
- L. REPAIRS: Cannot take repairs to Vehicle...as taking standard mileage allowance in A. above.
- M. HOME OFFICE: 300 sq. ft. used by business divided by total sq. footage of 1200 equates to 25% of expenses to be deducted.
- N. To list the \$1600 and \$20 as a Meals expense, can't deduct taking boyfriend out.

Business Worksheet

ENTITY INFO: Type (Circle one) Sole Proprietor Single Member LLC Multi-Member LLC Partnership S Corp C Corp

Individual Name(s): SARA HIGGINS **2**

SSN: N/A

Business Name (if applicable): SARA'S APT LEASING **4**

EIN (9 digits): 47-5555555 **5**

Business Description: REAL ESTATE AGENT (NOT BROKER) **6**

Product or Service: APARTMENT LOCATION SERVICES

INCOMES:

Cash / Checks	\$	
1099s	\$	<u>65,000.00</u> 7
Interest	\$	
Others	\$	<u>7,100.00</u> 7
Total Income	\$	<u>72,100.00</u>

COST OF GOOD SOLD:

Beg - Inventory	+	\$	-
Purchases	+	\$	-
Materials & Supplies	+	\$	-
End - Inventory	-	\$	-

COGS

COGS \$ -

COGS

COGS \$ -

Gross Profit \$ 72,100.00

EXPENSES:

Accounting	\$	<u>1,200.00</u> C
Advertising	\$	<u>1,200.00</u> D
Bank Charges	\$	<u>120.00</u> E
Cell Phone (Business only)	\$	<u>1,200.00</u> F
Auto	\$	<u>16,182.00</u> F
Commission Expense (1099)	\$	
Computer Expense	\$	
Continuing Education / Training	\$	<u>500.00</u> H
Contractor Labor (1099)	\$	<u>800.00</u> B
Delivery, Freight & Postage	\$	
Dues & Subscriptions	\$	
Equipment Rental	\$	
Insurance (Business & liability) (No auto)	\$	
Interest Expenses	\$	
Internet Costs (Business only)	\$	<u>240.00</u> I
Legal & Professional	\$	
Licence & Permits	\$	
Meals (No entertainment)	\$	<u>1,620.00</u> N
Office Expenses / Supplies	\$	<u>1,200.00</u> J
Printing	\$	
Rent	\$	
Repairs & Maintenance	\$	<u>350.00</u> L
Home Office Expense	\$	<u>3,300.00</u>
Salaries / Wages (W2 only)	\$	<u>15,000.00</u> K
Security	\$	
Small Tools	\$	
Software	\$	<u>125.00</u> G
Telephone (Business only)	\$	
Parking Fees & Tolls	\$	<u>100.00</u> A
Taxes - Payroll (W2 only)	\$	<u>1,432.50</u>
Travel (Airline, Hote)	\$	
Uniforms	\$	
Utilities	\$	
Website	\$	
Total Expenses	\$	<u>44,569.50</u>
NET INCOME	\$	<u>27,530.50</u>

VEHICLE INFORMATION:

Total Mileage		<u>31,000.00</u>
Business Mileage (90% of Total Mileage)		<u>27,900.00</u>
Jan. - Dec. 2019 Rate @ .58		<u>\$ 16,182.00</u>
Jan. - Dec. 2018 Rate @ .545		
Total		<u>\$ 16,182.00</u>

Vehicle Description: 2017 BMW 760i

Dated vehicle was placed in service: 03 /15/2018

Vehicle is used by a more than 5% owner? YES or NO

Is vehicle available for off-duty personal use? YES or NO

Is any other vehicle available for personal use? YES or NO

BUSINESS USE OF HOME

Total Area of Home (Square feet)	<u>1200 sq'</u>
Business Use Area (Square feet)	<u>300 sq'</u>
Mortgage Interest	\$
Real State Taxes	\$
Rent	<u>\$ 12,000.00</u>
Insurance	\$
Association Dues	\$
Repairs & Maintenance	\$
Utilities	<u>\$ 1,200.00</u>
Security	\$
Total Business Expense use of home	<u>\$ 13,200.00</u>

Going with 25% for home deduction.
25% X \$13,200

Employer Payroll Taxes

FICA (Social Security 6.2%. Medicare 1.45%)	\$	<u>1,147.50</u>
	\$	
TWC	\$	<u>243.00</u>
FUTA	\$	<u>42.00</u>
Total payroll Taxes	\$	<u>1,432.50</u>

Equipment Purchased**

Item	Date	Price
Digital Camera	2/1/2018	\$ 600.00

I here by delcare that all the information stated above is true and correct to the best of my knowledge. I understand and agree that any false information, misrepresentation, or omission of facts in this

Signature: _____

****NOTE:** Fixed Assets: (Equipment Purchased) Please provide Computers, Equipment, etc. Include date placed in Service + Amount.