

Brass Taxes answers your tax things.

{ So you can stop thinking about them so much.



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What do you want to know?

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{ W-2

- Less Freedom
- Less Responsibility
- Don't pay $\frac{1}{2}$ SE Tax
- Medical Benefits perhaps
- Steady Paycheck
- Unemployment
- Be careful with multiple W-2 Forms



{ Contractor/Untaxed/1099

- More responsibility
- Easier to deduct Expenses
- Need to Pay SE Tax
- Freedom!
- Pressure to find jobs
- No Unemployment
- Hard to budget for taxes

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When will you pay taxes

W-2 Employees

- Pay with every paycheck

Untaxed People

- Pay Quarterly
OR
- Pay Once a Year +
Some interest



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Different Cats, Different Taxes

Income tax is usually what everyone is talking about
The more \$ you make the higher % of each dollar you pay toward taxes.

Dollars \$0 - \$12,000 = 0% Income tax= Standard Deduction

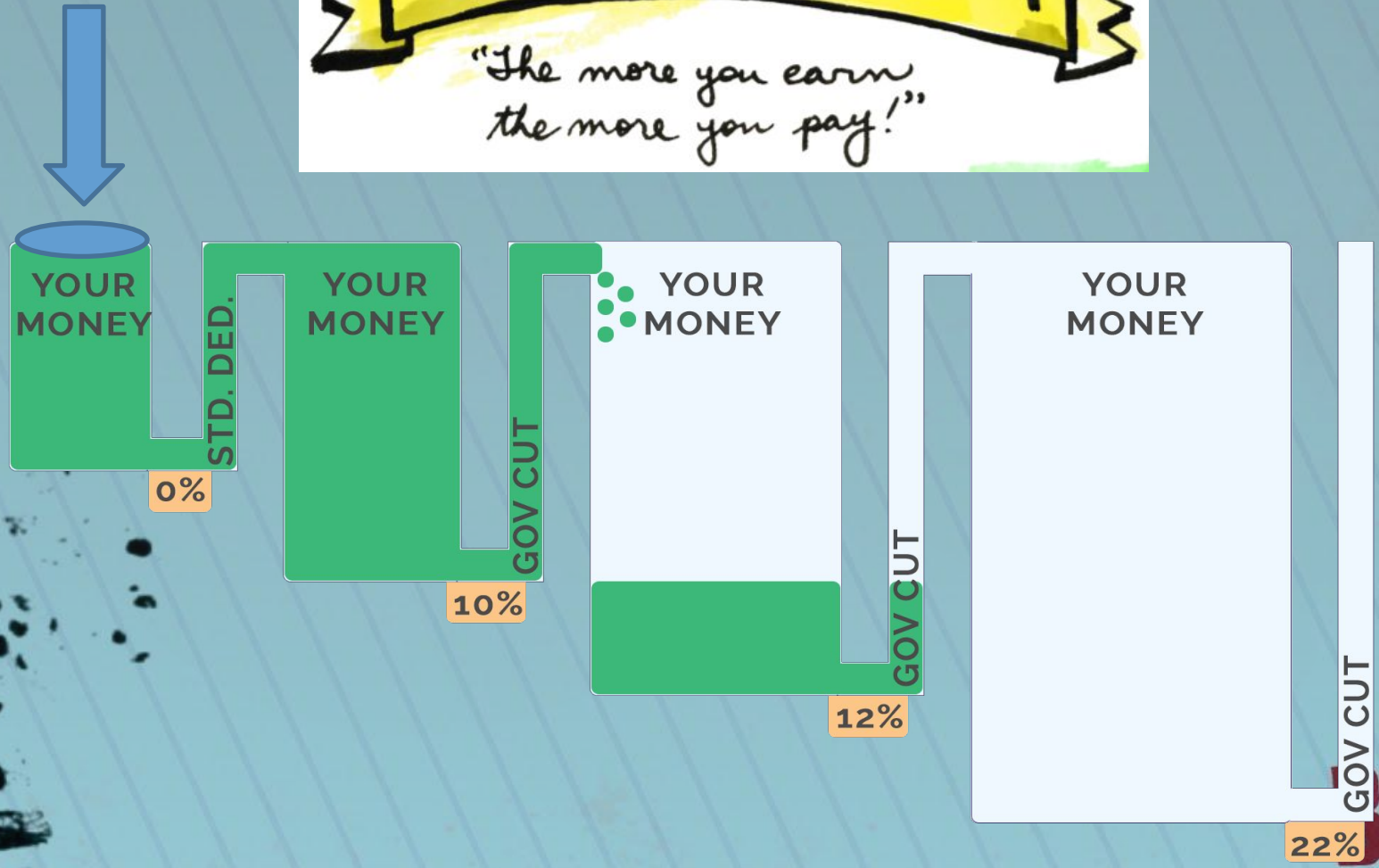
- Dollars \$0 - \$9,525 of taxable income=10% taxed
- Dollars \$9,525 - \$38,700 = 12% taxed
- Dollars \$38,700 - \$82,500 = 22% taxed
- Etc....



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PROGRESSIVE TAX SYSTEM

"The more you earn the more you pay!"



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Self-Employment Tax = Social Programs

- 15% of All Your Profit for Social Security and Medicare
- When you have a W-2 Job, you pay half of this amount and your employer pays half of this amount. (#1 reason employers prefer to be a contractor, whether correct or not)

**The Surprise Tax On Top of
Income Tax that Google
Doesn't Mention***

*no cat

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What's this 20% Pass Through Entity Thing?

The Gist:

20% Of Your Profit Is

NOT

Subject to

Income Tax*

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Keeping Track of Expenses

Keep Receipts in the Tax Categories as the year goes.

Keep a calendar of activities to show time spent.

You have a handout with all the tax categories and examples of what goes where.

Any system you actually use is a “Good System”.

Ex: The Envelope System, Mint.com, Outright.com, Quickbooks, spreadsheets.



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Step 1: Write each tax category that you're likely to use. One category per envelope.



Step 2: Think, "is this purchase related to my business?" If YES...



Step 3: Put receipt in wallet. When wallet gets full...



Step 4: Put receipt in envelope.

Alternately: Buy something online, write on a scrap of paper, put paper in the envelope.

Envelope System

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How much to save for taxes ?

30k Profit

Federal 22 %

State 6%

60k Profit

Federal 24 %

State 8%

100k Profit

Federal 27 %

State 8%

**YOU ARE TAXED ON PROFIT
NOT INCOME**

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The Confusing W-4

----- Separate here and give Form W-4 to your employer. Keep the worksheet(s) for your records. -----

Form **W-4**
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

OMB No. 1545-0074

2019

► Whether you're entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.

1 Your first name and middle initial		Last name	2 Your social security number	
Home address (number and street or rural route)		3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note: If married filing separately, check "Married, but withhold at higher Single rate."		
City or town, state, and ZIP code		4 If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card. ► <input type="checkbox"/>		
5 Total number of allowances you're claiming (from the applicable worksheet on the following pages)		5		
6 Additional amount, if any, you want withheld from each paycheck		6 \$		
7 I claim exemption from withholding for 2019, and I certify that I meet both of the following conditions for exemption. • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability, and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here ►		7		
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.				
Employee's signature (This form is not valid unless you sign it.) ►				
8 Employer's name and address (Employer: Complete boxes 8 and 10 if sending to IRS and complete boxes 8, 9, and 10 if sending to State Directory of New Hires.)		9 First date of employment		10 Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 4.

Cat. No. 10220Q

Form **W-4** (2019)

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When To Get Help

If you are making untaxed income (1099-misc) or TRYING to make untaxed income. You are in the gray area of what's a legit expense on your taxes.

Your Tax Person Should:

- Understand Your Industry
- Be Comfortable to Talking With

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Brass Taxes is Here for You

Congrats You're Done. Good Job. Get It All 100%?

Good.

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