

THE FINANCIAL EDGE

October 2022



WHAT SCARES ME?

Personal comments by Mary

I don't watch horror movies. To begin with no one likes to sit next to me, when we are watching a movie. I jump or scream at the scary parts of regular movies. My husband and sons find it irritating.

Basically, I don't go looking for scary things. I find life itself is scary enough. I am referring to everyday life, not the African safari type of scary. My everyday fears consist of mice, spiders, bugs in general, getting lost, being unprepared, new places, getting yelled at by a client, disappointing someone I love, losing a game, rejection, etc. I even fight back tears when I see an ambulance and I have seen too many of those this year. Some fears are rational and some aren't.

What I have learned over the years is that many of my fears are irrational and downright unfounded. I waste a lot of time and emotional energy on them. I have learned to listen and stop that crazy voice in my head that obsesses on those fears. I am learning to roll with the punches and trust that I have what I need to survive and if I am really confident.....to thrive and succeed.

Fears and uncertainty are part of life. I can choose to expect the worse or trust myself and look forward to the best!

HAPPY HALLOWEEN!

Mary Guldán-Lindstrom

"Each of us must confront our own fears, must come face to face with them. How we handle our fears will determine where we go with the rest of our lives. To experience adventure or to be limited by the fear of it."

Judy Blume



“ I enjoy working with Mary because she at least has you prepared for tax day. Even though you may not enjoy sending checks into Washington DC, you at least know what to expect. There aren't any surprises on the last day. You can formulate a plan to make sure you have enough cash available to send in without losing sleep over the pending tax bill.”

Darin Spindler,
Co-Founder Kids Bowl Free, Bowling
Business Builders International

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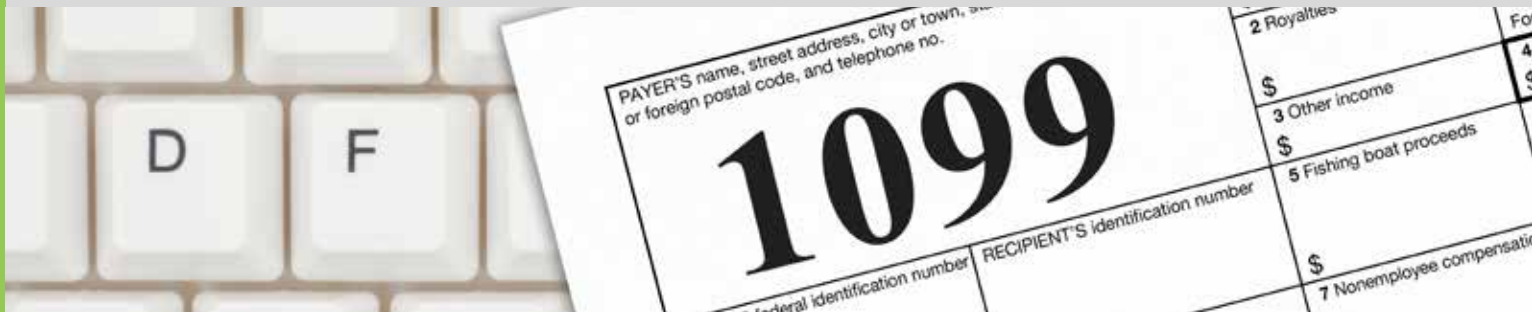
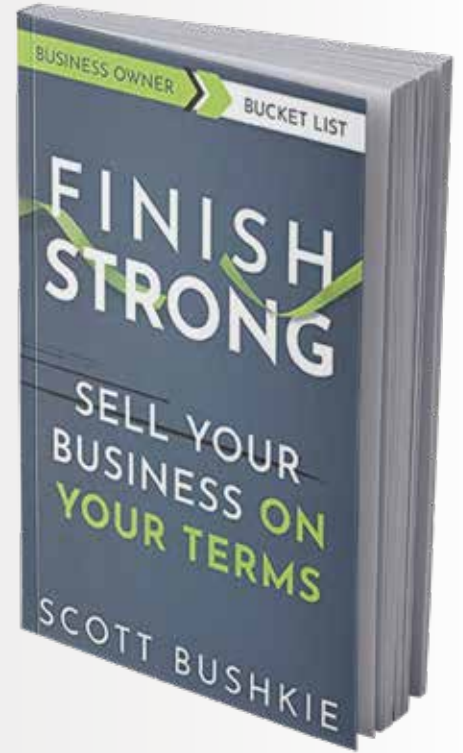
THE BOOK REVIEW

TITLE: Finish Strong
AUTHOR: Scott Bushkie
TOPIC: Business
EASY TO READ: \$\$\$\$\$ (5 out of 5 dollars)
APPLICABLE TO SMALL BUSINESS: \$\$\$\$\$ (4 out of 5 dollars)

Summary: Bushkie shares his experiences and expertise on selling business. He points out for many small business owners; the business is their greatest asset. They depend on it for their retirement, but majority fail to plan for this. He asks though provoking questions and steps to finish strong.

My recommendation: If you have a business read it, even if you are not ready for retirement. Just like we define and look for our ideal customer, to finish we need to define and look for our ideal exit plan.

Pages: 192 | **Published:** 2021



1099 REPORTING IS JUST AROUND THE CORNER ARE YOU PREPARED?

If your business paid more than \$600 in a calendar year to a non-corporate entity, you are required to file an information form 1099 NEC or 1099 MISC by January 31, 2023. Now is the time to determine if you have to file and gather the information to accurately and timely file them.

RECOMMENDED STEPS: NOW

1. **REVIEW** your vendor list to determine who may need a 1099. Be sure to include independent contractors, attorneys, your landlord, maintenance companies, etc.
2. **VERIFY** you have the legal name of your vendor.
3. **UPDATE** your accounting software with the tax information you have gathered.

RECOMMENDED STEPS: IN EARLY JANUARY

1. Once your books are closed, **DETERMINE** the amount paid during 2022. Only include payments made by cash, ACH, or check. If paid by credit card, PayPal, eBay, Venmo, or other cash application, the third party is responsible for providing the information to the IRS.

2. **FILE** the information forms - 1099 NEC, 1099 MISC, and 1096. If you file 10 or more 1099s to WI, you must file them electronically.

Note the penalty for not filing can range from \$50 - \$270 per form.

If you need assistance, please reach out to Jodi or Lorraine at our office. We can file the forms electronically for you, provide direction on updating your accounting software, or answer your questions about the forms and process.



TAX PLANNING FOR YOUR BUSINESS

BY MARY GULDAN-LINDSTROM CPA

“Those who fail to plan, plan to fail.” For real estate investors and small business owners, this expression holds true. As the year is coming to a close, it is time to think about taxes. Now is the time to understand your unique tax situation and how to minimize your tax bill.

BUSINESS OPPORTUNITIES & ISSUES

1 Invest in equipment. Need to place in service these assets by December 31. A business can write it off under tax code sec 179 up to \$1,000,000. Wisconsin does not allow bonus depreciation but does follow Federal Sec 179 limits.

2 Invest in a company vehicle. If you use your vehicle more than 50% for business consider buying one in the business. Depreciation is \$19,200 for 2022, \$18,000 for year 2, \$10,800 for year 3 and \$5,760 for year 4 and thereafter. Note that the personal portion of a business vehicle is added to your taxable wages.

3 Establish or expand a retirement plan. For those just starting you may be able to claim a tax credit for setup costs of SEP, SIMPLE IRA or qualified plan. Consider making a discretionary profit-sharing contribution. To be tax deductible the contribution must be made no later than the tax return file date. For a business the plan typically has to be set up before 12/31.

4 Maximize the Qualified Business Income deduction. You could avoid paying taxes on 20% of your business income. The calculation is complex and can be an all or nothing option - so plan ahead. For those with service businesses and those with high taxable income and low wages, there are ways to increase this deduction.

5 Elect to pay WI taxes at the business level. S corporations can opt to pay WI taxes like a C corporation. The rate is a bit higher, however the WI taxes paid will reduce the Federal taxable income.

CLAIM ALL YOUR EXPENSES AND TAX CREDITS

- **Vehicle expenses.** You can choose between deducting the business portion of the actual costs or deduct 56 cents per business mile. A written mileage log of business and personal miles is required to take the deduction.

- **Restaurant Meals** are 100% deductible in 2021 & 2022. In an attempt to encourage business owners to support restaurants, meals paid to a restaurant are 100% tax deductible this year.

- **Office in the home.** If you work out of your home in a space used exclusively for business you can write off a prorated amount of your home costs. The deduction is limited to the taxable income, though costs can be carried forward.

- **Keep good records.** Collect your business or rental income in one bank account. Pay all your business or rental expenses out of that one account. Record your business mileage throughout the year.

It is critical to consider your personal and business circumstances before implementing any ideas. These suggestions are for discussion purposes. Majority of the items mentioned have very specific requirements. The requirements can be complicated and may yield different results based on your unique situation.

If you have any concerns or want to reduce your tax surprise, call our office 920-351-4842 and set up a tax planning meeting.

“Improving the lives of small business owners” **FOCUS** CPA Inc

TAX PLANNING OFFER

WANT TO AVOID SURPRISES?

REDUCE YOUR TAX BILL?

We live in a very complex business world. Taxes can be painful as well as complicated. Let's discuss your tax strategy! Now while you have time to do something about it.

Contact our office to schedule a time.

920-351-4842

- OR -

jodi@focus-cpa.com

October 2022 INSIDE THIS ISSUE

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NOW FOR A LITTLE VAMPIRE HUMOR

- Why did the vampire read the newspaper? *He heard it had great circulation.*
- How do vampires get around on Halloween? *On blood vessels.*
- What's it like to be kissed by a vampire? *It's a pain in the neck.*
- What's it called when a vampire has trouble with his house? *A grave problem.*
- How can you tell when a vampire has been in a bakery? *All the jelly has been sucked out of the jelly doughnuts.*
- What do you get when you cross a vampire and a snowman? *Frostbite.*
- What's a vampire's favorite fruit? *Neck-tarines.*
- Why did Dracula take cold medicine? *Because he was coffin too much.*
- What's a vampire's favorite ice cream flavor? *Vein-illa.*
- Why do vampires not want to become investment bankers? *They hate stakeholders.*
- Why are vampires bad at art? *They are only able to draw blood.*

From www.countryliving.com/entertaining/a32963261/halloween-jokes

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