

THE FINANCIAL EDGE

October 2024



WHAT SCARES YOU?

Personal comments by Mary

Most of the time, life in general scares me. Growing up in the country, one of the earliest memories involved walking through my grandfather's barn. As a child, a cow seemed so intimidating. I was barely four feet tall and 40 pounds, while each cow was the same height but 1,100 pounds—27 times bigger than me. I would walk through the stanchions, where the cows were lined up for milking. It was like a sidewalk, and at the end was a large room. The walkway was surrounded by metal bars on three sides. My grandfather kept the bulls in that part of the barn. To reach the hayloft, it was necessary to pass through that room and climb the ladder. The bulls pushed their weight around, made scary grunts, and knocked their heads against the bars. It required all my courage.

Later in life, facing challenges like filing for divorce, closing a business, and raising twin boys presented even more fear. Survival seemed uncertain, and success felt even less likely. I was afraid of letting others down.

Given that life already holds enough scary moments, horror movies are definitely avoided. Why choose to be frightened on purpose? It took 10 years before finally watching *The Silence of the Lambs*, and only because I admired Anthony Hopkins for his ability to create amazing characters.

These days, politics is what feels truly frightening. Everything seems to be taken out of context and exaggerated to make a point. Living in a swing state means having even more of it shoved down our throats.

As I gain experience, it's become clear that the mind can create mountains out of molehills. Tomorrow is another day; somehow, it will all work out. Most of what was once feared has been conquered. The one good thing about fear, is that it makes me feel more alive.

Happy October!

Mary Guldán-Lindstrom



"Very happy with them... Their whole office has helped me and my business and Mary is excellent with her attention to detail. A+"

Dr. Jason Gospodarek. Optometrist

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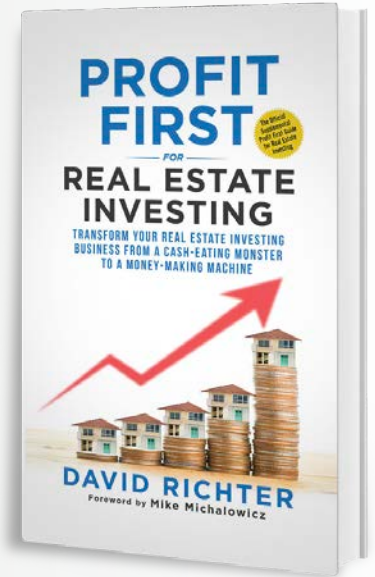


THE BOOK REVIEW

TITLE: Profit First for Real Estate Investing
AUTHOR: David Richter
TOPIC: Finances
EASY TO READ: \$\$\$\$\$ (5 out of 5 dollars)
APPLICABLE TO SMALL BUSINESS: \$\$\$ (3 out of 5 dollars)

Summary: This is a customized version of Profit First for those who invest in rental property and for those who are flipping properties. It provides a system to ensure that you will financially succeed. Provides a “how to” and the education to get it done.

My recommendation: Many have read the book “Rich Dad, Poor Dad” and make the assumption that investing in real estate is the way to riches. My CPA experience tells me that there are so many ways to lose money and tax complexities, that many get confused and lose a lot. Excellent for those who are serious about investing in real estate profitably.



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CORPORATE TRANSPARENCY ACT: DEADLINE IS APPROACHING

By Mary Guldán-Lindström, CPA

By January 1, 2025 most companies created in or registered to do business in the United States must report information about their beneficial owners to FinCEN (Financial Crimes Enforcement Network) as part of an anti-money laundering initiative. Information collected by FinCEN from the BOI (Beneficial Ownership Information) reports will be kept in a nonpublic database called the Beneficial Ownership Secure System.

If you are an LLC, corporation or any entity created by filing with the state you need to file. There are exceptions such as companies with more than 50 US employees and \$5M in sales and those registered with other government agencies.

WHAT DO I NEED TO FILE?

- Beneficial owners – any individual who, directly or indirectly
 - Exercises control over a reporting company. This includes senior officers such as President, CEO, COO, CFO, General counsel
 - Owns or controls at least 25% of the ownership interest
- Company applicant – who is filing the report
- Legal name / Trade name
- US Address
- Jurisdiction of formation – State
- Legal name, date of birth, address of all beneficial owners and US passport, or driver’s license or ID document issued by state.

There is a \$500 per day up to \$10,000 for failing to file.

Due to the newness of this new law, the guidelines are still developing. For more information, please go to <https://www.fincen.gov/boi>. We will be able to assist the simple registrations.



TAX PLANNING FOR YOUR BUSINESS

By Mary Guldan-Lindstrom CPA

“Those who fail to plan, plan to fail.” As the year is coming to a close, it is time to think about taxes.

To start KEEP GOOD RECORDS. The best way to reduce your tax bill is to keep current financial records. To verify their accuracy, monitor the information on a regular basis. Keep your receipts, run all your business income and expenses in one bank account and don't mix personal expenses with business. If you need the expense to earn your business income, most likely it will be tax deductible.

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 \$1,220,000.

2 Invest in a company vehicle. If you use your vehicle more than 50% for business consider buying one in the business. Depreciation is \$20,400 for 2024, \$19,800 for year 2, \$11,900 for year 3 and \$7,160 for year 4 and thereafter. Note that the personal use 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 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 Make sure you have the right entity for your business. A sole proprietor may benefit from electing to be taxed as an S corporation. The tax benefit depends on the specific situation.

6 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 & TAX CREDITS

■ **Vehicle expenses.** You can choose between deducting the business portion of the actual costs or deduct 67 cents per business mile. A written mileage log documenting business and personal miles is required to take the deduction.

■ **Restaurant Meals are 50% deductible now.** Entertainment expenses are not tax deductible. Please keep receipts and tax support.

■ **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.

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.

TAX PLANNING SPECIAL OFFER

WANT TO AVOID TAX SURPRISES?

REDUCE YOUR TAX BILL?

We live in a very complex business world. Taxes can be painful as well as complicated. Consider tax planning now while you have time to do something about it. We can help avoid tax issues, look to find ways to lower your taxes, estimate your cash needs and provide peace of mind that you are paying the least amount.

**Give us a call at our office:
920-351-4842**

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A LITTLE HALLOWEEN HUMOR

How did the zombie become great a trick or treating? *Dead-ication.*

What is a vampire's favorite Halloween candy? *A sucker.*

What do demons eat for breakfast? *Deviled eggs.*

What did the girl horse dress up as for Halloween? *A night mare.*

What has hundreds of ears but can't hear a thing? *A cornfield!*

Why didn't the skeleton go to prom? *He had no body to go with.*

How do vampires get around on Halloween? *On blood vessels.*

How did the skeleton know it was going to rain on Halloween? *He felt it in his bones.*

How do zombies serve the country? *In the Marine Corpse.*

Who gives Dracula the most candy on Halloween? *His fang-club.*

What do skeleton dogs eat? *Milk bones.*

What do zombies order at the deli? *Knuckle sandwich.*

What's a vampire's favorite kind of dog? *A bloodhound.*

What did the witch do when her car broke down? *She witch-hiked!*

What do you call a movie about zombies finding true love? *A zom-com.*

Did you hear about the coffin sale? *That's the last thing I need.*

Why don't they play music in skeleton church? *They don't have organs!*

Where do mummies like to swim? *The Dead Sea.*

Why are there fences around cemeteries? *Because people are dying to get in.*

What do you do with a green monster? *Wait until it's ripe.*

What's a skeleton's favorite song? *“Bad to the Bone.”*

Why don't werewolves ever know the time? *Because they're not when-wolves.*

What do dentists hand out at Halloween? *Candy. It's good for business.*