

TAX PREP FOR HOMESCHOOL BUSINESS OWNERS

JANUARY 21, 2019 8 PM ET

Webinar for homeschool co-op teachers, tutors and homeschool businesses

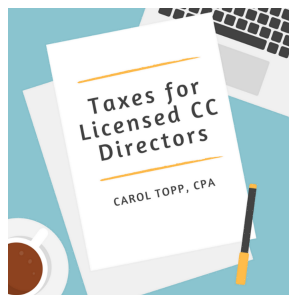
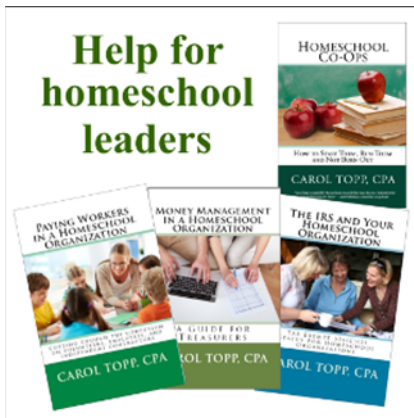
HOMESCHOOLCPA.COM/HSBITAXES

FREE LIVE EVENT

TAXES



Carol Topp, CPA



HomeschoolCPA.com/CCTaxes





Thanks to my supporters!

I am a Homeschool Group Leader Facebook group
Let Us Reason-For Real Facebook group
Friends who shared on FB, Twitter, etc.

Chat room moderators **Laura Murfin** of
CrossSeven.org Classically based memory work



Jamie Buckland of **Classical Program Consultant** JamieBuckland.net
 Guidance in curriculum, administration and business for a homeschool program

Housekeeping

Put tax questions in the **chat box**. Keep them short and general!

- Keep other chat to a minimum, please.
- If you are under a confidentiality agreement, do not post confidential information in the chat room.

Two short breaks for Q&A (half way and at the end)

Free access to the recording until tomorrow around 10 pm ET.

I'm an accountant, not a lawyer, so I'm not offering legal advice.

Let's talk about:

Tax changes in 2018
Schedule C tax form
Tax deductions
Self Employment Tax
Qualified Business Deduction (new in 2018!!)
Sample Tax Returns



No time for...

Sales tax
Inventory
Paying Workers
Business entity options (LLC, S Corp, etc.)
Nonprofit tax exempt status



You are a business owner if...

You receive money and deliver a product or service

Business owners include:

- For-profit homeschool program directors
- Nonemployee tutors
- Nonemployee co-op teachers
- Coaches, band directors, childcare workers, Independent Contractors, etc.



Business Structures

**Sole
Proprietorship**
(single family house)



Partnership
(duplex)



Corporation
(apartment building)



Basic Accounting

Income from Sales/Services/Tuition, fees, etc....

- Expenses related to your business

Profit (aka Net Income)

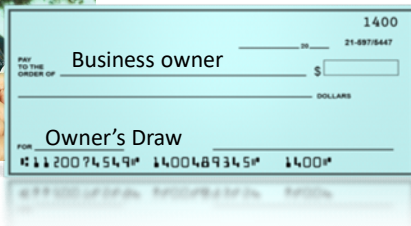
- Taxes

What you get to keep (your earnings)

How do you get paid?



Your profit is your “pay”
Owner’s Draw (not a tax deductible expense)



Do NOT give yourself a 1099-MISC
 Do NOT give yourself a paycheck

Tips:

Use a separate checking account (please!)

Leave some for taxes and future expenses



Tax changes for 2018

No more exemptions

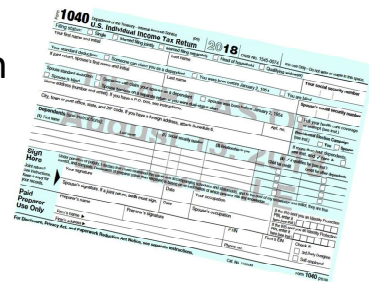
Standard deduction increased to \$12,000 S/\$24,000 MFJ

Child Tax credit increased to \$2,000/child

New Qualified Business Income deduction

New tax forms: 1040 “postcard”

Lower tax rates (12% for most of us)



Tax Forms

**Schedule C
Business**

Profit from business



Profit from business

**Schedule SE Self
Employment tax**

SE tax = 15.3% of profit



Taxes: Self Employment Tax

Social Security (FICA)
and
Medicare

15.3 % of profit over **\$400***



SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service (99)		▶ Go to www.irs.gov/ScheduleC for instructions and the latest information. ▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.		2018 Attachment Sequence No. 09	
Name of proprietor		Social security number (SSN)			
A Principal business or profession, including product or service (see instructions) Educational classes/tutoring		B Enter code from instructions ▶ 611000			
C Business name. If no separate business name, leave blank.		D Employer ID number (EIN) (see instr.)			
E Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code					
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶					
G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
H If you started or acquired this business during 2018, check here		<input type="checkbox"/>			
I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
J If "Yes," did you or will you file required Forms 1099?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Part I Income					
1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked. ▶ <input type="checkbox"/>	1			
2	Returns and allowances	2			
3	Subtract line 2 from line 1	3			
4	Cost of goods sold (from line 42)	4			
5	Gross profit. Subtract line 4 from line 3	5			
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6			
7	Gross income. Add lines 5 and 6	7			

Accrual Accounting

Recognize income when **earned** (over time), not when **received**

	Cash	Accrual
Tuition collected in September 2018	\$5,000	\$5,000
Income on 2018 Schedule C	\$5,000	\$2,500
Expenses in 2018	\$1,000	\$1,000
Profit in 2018	\$4,000	\$1,500
Income on 2019 Schedule C	\$0	\$2,500
Expenses in 2019	\$1,000	\$1,000
Profit in 2019	-\$1,000 (a loss)	\$1,500

Changing methods requires IRS approval using Form 3115. Hire a professional!

Schedule C: Expenses

Part II Expenses. Enter expenses for business use of your home only on line 30.			
8	Advertising	8	
9	Car and truck expenses (see instructions)	9	
10	Commissions and fees	10	
11	Contract labor (see instructions)	11	
12	Depletion	12	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	
14	Employee benefit programs (other than on line 19)	14	
15	Insurance (other than health)	15	
16	Interest:		
a	Mortgage (paid to banks, etc.)	16a	
b	Other	16b	
17	Legal and professional services	17	
18	Office expense (see instructions)	18	
19	Pension and profit-sharing plans	19	
20	Rent or lease (see instructions):		
a	Vehicles, machinery, and equipment	20a	
b	Other business property	20b	
21	Repairs and maintenance	21	
22	Supplies (not included in Part III)	22	
23	Taxes and licenses	23	
24	Travel, meals, and entertainment:		
a	Travel	24a	
b	Deductible meals and entertainment (see instructions)	24b	
25	Utilities	25	
26	Wages (less employment credits)	26	
27a	Other expenses (from line 48)	27a	
b	Reserved for future use	27b	
28	Total expenses before expenses for business use of home. Add lines 8 through 27a	28	
29	Tentative profit or (loss). Subtract line 28 from line 7	29	
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	

Read IRS Pub 535 Business Expenses <https://www.irs.gov/pub/irs-pdf/p535.pdf>

Business Tax deductions

Advertising (website, email service, etc.)

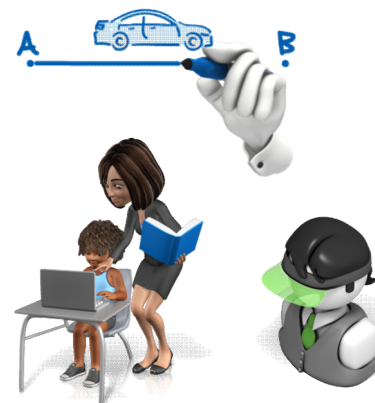
Car Mileage (54 ½ cents per mile in 2018). Keep a log!

Contract Labor and Employee Wages

Business Insurance

Professional Fees (lawyers and accountants)

Office expenses (software)



Read IRS Pub 535 Business Expenses <https://www.irs.gov/pub/irs-pdf/p535.pdf>

Business Tax deductions

Supplies

Travel (hotel, airplane, etc.)

Cell phone & internet (Utilities Line 25) prorate for business use

Other (Line 27) for Professional development (classes, training, conferences, books)



Read IRS Pub 535 Business Expenses <https://www.irs.gov/pub/irs-pdf/p535.pdf>

NOT deductible as a business expense

Charitable donations. They go on Schedule A Itemized deductions.

- "Donations" or "love offerings" to your church host for use of space are **not** donations. They are **rent**. Rent **is** a business expense and tax deductible.
- <http://homeschoolcpa.com/is-payment-to-our-church-host-rent-or-a-donation/>

Childcare expenses. May be eligible for the Child and Dependent Care tax credit.

Your child's tuition/fees. They are a personal expense and not a business deduction.

- <http://homeschoolcpa.com/can-a-homeschool-director-deduct-her-childs-tuition-on-her-tax-return/>



Home Office Deduction (Line 30)



Regular and **Exclusive** use
and

principal place of business

Read IRS Instructions for Form 8829

Simplified method: **\$5/square foot**

(maximum 300 sq ft or \$1500)

1099 MISC to contractors



For compensation over **\$600 in a year to:**

Tutors, coaches, cleaners,
bookkeepers, etc.

Deducted on Line 11 Contract Labor

Use **Yearli.com** for online filing <https://mbsy.co/rzrbp>

New tax deduction for 2018!!

Qualified Business Income Deduction

20% of profit from “qualified” business (sole prop, partnerships, S Corp)

- If Taxable Income less than \$157,000 S/\$315,000 MFJ, your business is “qualified”

Form 1040 Line 9

Form 1040 (2018)					
	1	Wages, salaries, tips, etc. Attach Form(s) W-2		1	
	2a	Tax-exempt interest	2a	2b	Taxable interest
Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.	3a	Qualified dividends	3a	3b	Ordinary dividends
	4a	IRAs, pensions, and annuities	4a	4b	Taxable amount
	5a	Social security benefits	5a	5b	Taxable amount
	6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22			
	7	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6			
Standard Deduction for:	8	Standard deduction or itemized deductions (from Schedule A)			
• Single filers	9	Qualified business income deduction (see instructions)			
• Married filing separately	10	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-			
• Married filing jointly					
• Head of household					

Questions?



Sample Tax Returns

New look to tax forms for 2018 taxes

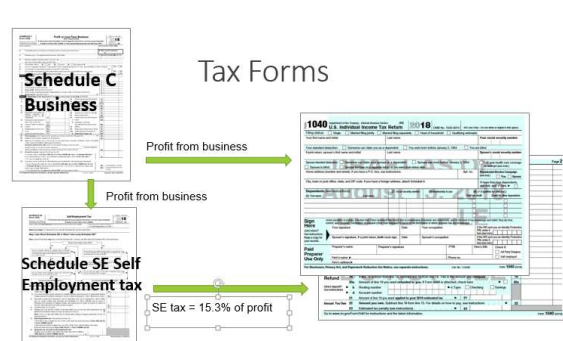
Start with Schedule C Profit or Loss from Business

Follow directions carefully and transfer profit to:

Form 1040 Schedule 1 Line 6

and

Schedule SE



SCHEDULE C-EZ (Form 1040-EZ)
Net Profit From Business
 (Sole Proprietorship)
 Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B. Attach to Form 1040, 1040NR, or 1041.

2018
 Attachment Sequence No. 09A

Part I General Information

You May Use Schedule C-EZ Instead of Schedule C Only If You:

- Had business expenses of \$5,000 or less
- Use the cash method of accounting
- Did not have an inventory at any time during the year
- Did not have a net loss from your business
- Had only one business as either a sole proprietor, qualified joint venture, or statutory employee
- Had no employees during the year
- Are not required to file Form 4562, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, to find out if you must file
- Do not deduct expenses for business use of your home
- Do not have prior year unallowed passive activity losses from this business

Part II Figure Your Net Profit

1 Gross receipts. Caution. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see "Statutory employees" in the instructions for Schedule C, line 1, and check here.	1	750
2 Total expenses (see page 2). If more than \$5,000, you must use Schedule C.	2	77
3 Net profit. Subtract line 2 from line 1. If less than zero, you must use Schedule C. Enter on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 and Schedule SE, line 2, (see instructions). (Statutory employees do not report this amount on Schedule SE, line 2.) Estates and trusts, enter on Form 1041, line 3.	3	673

Tessa Tutor: Independent contractor filing Schedule C-EZ

Income from tutoring: \$750
 Expenses: \$77
 Profit: \$673

Tessa Tutor: IC filing Schedule C

Self employment tax: 15.3% of profit

SCHEDULE 4 (Form 1040) Other Taxes
 Attach to Form 1040.
 Go to www.irs.gov/Form1040 for instructions and the latest information.

2018
 Attachment Sequence No. 04

Part I Other Taxes

57 Self-employment tax. Attach Schedule SE.	57	95
58 Unreported social security and Medicare tax from: Form a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	
59 Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required.	59	
60a Household employment taxes. Attach Schedule H	60a	
b Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required.	60b	
61 Health care: individual responsibility (see instructions)	61	
62 Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	62	
63 Section 965 net tax liability installment from Form 965-A	63	
64 Add the amounts in the far right column. These are your total other taxes. Enter here and on Form 1040, line 14.	64	95

SCHEDULE SE (Form 1040) Self-Employment Tax
 Attach to Form 1040 or Form 1040NR.
 Go to www.irs.gov/Form1040 for instructions and the latest information.

2018
 Attachment Sequence No. 17

Part I May I Use Short Schedule SE or MUST I Use Long Schedule SE?

I may use Short Schedule SE.
 I MUST use Long Schedule SE.

Part II Enter the amount of net profit from line 3 of Schedule C-EZ, line 3 of Schedule C, or line 3 of Schedule SE.

1a Enter the amount of net profit from line 3 of Schedule C-EZ, line 3 of Schedule C, or line 3 of Schedule SE.	1a	0
1b Enter the amount of net profit from line 3 of Schedule C-EZ, line 3 of Schedule C, or line 3 of Schedule SE.	1b	673
2 Enter the amount of net profit from line 3 of Schedule C-EZ, line 3 of Schedule C, or line 3 of Schedule SE.	2	673
3 Enter the amount of net profit from line 3 of Schedule C-EZ, line 3 of Schedule C, or line 3 of Schedule SE.	3	673
4 Enter the amount of net profit from line 3 of Schedule C-EZ, line 3 of Schedule C, or line 3 of Schedule SE.	4	622
5 Enter the amount of net profit from line 3 of Schedule C-EZ, line 3 of Schedule C, or line 3 of Schedule SE.	5	95

Tessa Tutor:
Schedule 1
Business
Profit

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040. ▶ Go to www.irs.gov/Form1040 for instructions and the latest information.		2018 Attachment Sequence No. 01
Name(s) shown on Form 1040 Tutor and Husband Contractor		Your social security number 001-11-2233		
Additional Income	1-9b Reserved	1-9b Reserved		
10	Taxable refunds, credits, or offsets of state and local income taxes	10		
11	Alimony received	11		
12	Business income or (loss). Attach Schedule C or C-EZ	12	673.	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13		
14	Other gains or (losses). Attach Form 4797	14		
15a	Reserved	15b		
16a	Reserved	16b		
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17		
18	Farm income or (loss). Attach Schedule F	18		
19	Unemployment compensation	19		
20a	Reserved	20b		
21	Other income. List type and amount ▶	21		
22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and on Form 1040, line 6. Otherwise, go to line 23	22	673.	
Adjustments to Income	23 Educator expenses	23		
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24		
25	Health savings account deduction. Attach Form 8889	25		
26	Moving expenses for members of the Armed Forces. Attach Form 3903	26		
27	Deductible part of self-employment tax. Attach Schedule SE	27	48.	
28	Self-employed SEP, SIMPLE, and qualified plans	28		
29	Self-employed health insurance deduction	29		
30	Penalty on early withdrawal of savings	30		
31a	Alimony paid	31a		
31b	Recipient's SSN ▶	31b		
32	IRA deduction	32		
33	Student loan interest deduction	33		
34	Reserved	34		
35	Reserved	35		
36	Add lines 23 through 35	36	48.	

For Paperwork Reduction Act Notice, see your tax return instructions. UYA Schedule 1 (Form 1040) 2018

Tessa Tutor
Form 1040

Form 1040 (2016) Tutor and Husband Contractor		001-11-2233		Page 2
1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	55,000.	
2a	Tax-exempt interest	2a		
2b	Taxable interest	2b		
3a	Qualified dividends	3a		
3b	Ordinary dividends	3b		
4a	IRAs, pensions, and annuities	4a		
4b	Taxable amount	4b		
5a	Social security benefits	5a		
5b	Taxable amount	5b		
6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	6	55,673.	
7	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	7	55,625.	
8	Standard deduction or itemized deductions (from Schedule A)	8	24,000.	
9	Qualified business income deduction (see instructions)	9	135.	
10	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	10	31,490.	
11a	Tax (see inst.) 3,396. (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>	11	3,396.	
12a	Child tax credit/credit for other dependents 3,396. b Add any amount from Schedule 3 and check here <input type="checkbox"/>	12	3,396.	
13	Subtract line 12 from line 11. If zero or less, enter -0-	13	0.	
14	Other taxes. Attach Schedule 4	14	95.	
15	Total tax. Add lines 13 and 14	15	95.	
16	Federal income tax withheld from Forms W-2 and 1099	16		
17	Refundable credits: a EIC (see inst.) b Sch 8812 604. c Form 8863	17	604.	
18	Add lines 16 and 17. These are your total payments	18	604.	
19	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid	19	509.	
20a	Amount of line 19 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	20a	509.	
20b	Routing number	20b		
20c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	20c		
20d	Account number	20d		
21	Amount of line 19 you want applied to your 2019 estimated tax	21		
22	Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions	22	0.	
23	Estimated tax penalty (see instructions)	23		

Go to www.irs.gov/Form1040 for instructions and the latest information. Form 1040 (2016)

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074			
Department of the Treasury Internal Revenue Service (IRS)		Go to www.irs.gov/ScheduleC for instructions and the latest information. Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.		2018 Attachment Sequence No. 09			
Name of proprietor Ashley Business		Social security number (SSN) 555-55-5555					
A Principal business or profession, including product or service (see instructions) Tutoring, Education		B Enter code from instructions 611000					
C Business name, if no separate business name, leave blank CC of Anytown		D Employer identification number (EIN) (see instructions)					
E Business address (including suite or room no.) City, town or post office, state, and ZIP code							
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____		G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
H If you started or acquired this business during 2018, check here		I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
J If "Yes," did you or all you file required Form(s) 1099?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Part I Income							
1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked	1	35,000				
2	Returns and allowances	2					
3	Subtract line 2 from line 1	3	35,000				
4	Cost of goods sold (from line 42)	4					
5	Gross profit. Subtract line 4 from line 3	5	35,000				
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6					
7	Gross income. Add lines 5 and 6	7	35,000				
Part II Expenses. Enter expenses for business use of your home only on line 30.							
8	Advertising	8		18	Office expense (see instructions)	18	475
9	Car and truck expenses (see instructions)	9		19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):	20a	
11	Contract labor (see instructions)	11		a	Vehicle, machinery, and equipment	20b	3,500
12	Depreciation	12		b	Other business property	21	
13	Depreciation and section 179 expense deduction (not reduced in Part III) (see instructions)	13		21	Repairs and maintenance	21	
14	Employee benefit programs (other than on line 10)	14		22	Supplies (not included in Part III)	22	1,800
15	Insurance (other than health)	15	500	23	Taxes and licenses	23	
16	Interest (see instructions):	16a		24	Travel and meals:	24a	
17	Mortgage (paid to banks, etc.)	17a		a	Travel	24b	
18	Other	18b		b	De deductible meals (see instructions)	25	
19	Legal and professional services	19	500	25	Utilities	25	21,500
20	Total expenses before expenses for business use of home. Add lines 8 through 27a	20	28,275	26	Wages (less employment credits)	26	
21	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions)	21		27a	Other expenses (from line 43)	27a	
22	Net profit or (loss). Subtract line 20 from line 7.	22	6,725	b	Reserved for future use	27b	
23	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions)	23		27	Other expenses (from line 43)	27	
24	Net profit or (loss). Subtract line 23 from line 22.	24		28	Wages (less employment credits)	28	
25	Net profit or (loss). Subtract line 24 from line 23.	25	6,725	29	Other expenses (from line 43)	29	
26	Net profit or (loss). Subtract line 25 from line 24.	26		30	Other expenses (from line 43)	30	
27	Net profit or (loss). Subtract line 26 from line 25.	27		31	Other expenses (from line 43)	31	6,725

Ashley Business Owner filing Schedule C

Income: \$35,000
Expenses: \$28,275
Profit: \$6,725

SCHEDULE 4 (Form 1040)		Other Taxes		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		Go to www.irs.gov/Form1040 for instructions and the latest information.		2018 Attachment Sequence No. 04	
57	Self-employment tax. Schedule SE	57	950		
58	Unreported social security and Medicare tax from: Form a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	0		
59	Additional tax on IRAs, other qualified retirement plans, etc. Form 5329	59	0		
60a	Household employment taxes from Schedule H	60a	0		
60b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	0		
61	Health care: individual responsibility (see instructions)	61	0		
62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s) Worksheet available	62	0		
63	Section 965 net tax liability installment from Form 965-A	63	0		
64	Add the amounts in the far right column. These are your total other taxes. Enter here and on Form 1040, line 14	64	950		

Ashley Business Owner: Self employment tax: 15.3% of profit

Ashley Business Owner:
Schedule 1 Business Profit

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040. Go to www.irs.gov/Form1040 for instructions and the latest information.		2018 Attachment Sequence No. 01
1-9b	Reserved	1-9b		
10	Taxable refunds, credits, or offsets of state and local income taxes	10		0
11	Alimony received	11		0
12	Business income or (loss). Schedule C or C-EZ	12		6,725
13	Capital gain or (loss). Schedule D. If not required, check here	13		0
14	Other gains or (losses). Form 4797	14		0
15a	Reserved	15b		
16a	Reserved	16b		
17	Rental real estate, royalties, partnerships, S corps, trusts, etc., Sch E	17		0
18	Farm income or (loss). Schedule F	18		0
19	Unemployment compensation	19		0
20a	Reserved	20b		
21	Other income. List type and amount. Worksheet available	21		0
22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	22		6,725
23	Educator expenses	23		0
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Form 2106	24		0
25	Health savings account deduction. Form 8889	25		0
26	Moving expenses for members of the Armed Forces	26		0
27	Deductible part of self-employment tax. Schedule SE	27		475
28	Self-employed SEP, SIMPLE, and qualified plans	28		0

Ashley Business Owner Form 1040

Form 1040 (2018) Tom E and Ashley Business		555-66-6777	Page 2
1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	70,000.
2a	Tax-exempt interest	2a	
3a	Qualified dividends	3a	
4a	IRAs, pensions, and annuities	4a	
5a	Social security benefits	5a	
6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	6	76,725.
7	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	7	76,250.
8	Standard deduction or itemized deductions (from Schedule A)	8	24,000.
9	Qualified business income deduction (see instructions)	9	1,345.
10	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	10	50,905.
11	a Tax (see inst.) 5,730. (check if any from: 1 Form(s) 8814 2 Form 4972 3) b Add any amount from Schedule 2 and check here	11	5,730.
12	a Child tax credit(s) for other dependents 4,000. b Add any amount from Schedule 3 and check here	12	4,000.
13	Subtract line 12 from line 11. If zero or less, enter -0-	13	1,730.
14	Other taxes. Attach Schedule 4	14	950.
15	Total tax. Add lines 13 and 14	15	2,680.
16	Federal income tax withheld from Forms W-2 and 1099	16	3,000.
17	Refundable credits: a EIC (see inst.) b Sch 8812 c Form 8863	17	0.
18	Add lines 16 and 17. These are your total payments	18	3,000.
19	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid	19	320.
20a	Amount of line 19 you want refunded to you. If Form 8888 is attached, check here	20a	320.
21	Amount of line 19 you want applied to your 2019 estimated tax	21	
22	Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions	22	0.
23	Estimated tax penalty (see instructions)	23	

Go to www.irs.gov/Form1040 for instructions and the latest information.

Form 1040 (2018)

Tax Tips


Use software. I use TaxAct **TaxAct**

Use a local tax professional, especially for 2018 returns

- QuickBooks ProAdvisor
Quickbooks.intuit.com/find-an-accountant
- Dave Ramsey Endorsed Local Provider
DaveRamsey.com/elp/tax-services

Questions about starting or running a homeschool program? HomeschoolCPA.com/Contact

NEED HELP?



Contact Carol Topp, CPA
for a one-on-one consultation

Carol@HomeschoolCPA.com

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I am a Homeschool Group Leader Facebook group
Let Us Reason-For Real Facebook group
Friends who shared on FB, Twitter, etc.

Chat room moderator **Laura Murfin** of
CrossSeven.org Classically based memory work



Jamie Buckland of **Classical Program Consultant** JamieBuckland.net
 Guidance in curriculum, administration and business for a homeschool program

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Questions?

