

## Self-Employment Tax Organizer Profit or Loss from Business or Service

### Step 1 – Eligibility

- Total annual household income of \$53,000 or less.
- Sole proprietors, independent contractors, and single member LLC's only. We do not prepare returns for corporations, partnerships or businesses with employees.
- No income from rental property, taxi drivers, clergy, or day traders.

### Step 2 – Documentation

Organize your income and expense documents from last year. Examples:

- Tax documents: Form 1099, W-2, and last year's tax return. Bring these to your tax appointment.
- Supporting documentation – invoices, receipts, bank or credit card statements, and mileage logs. You do not need to bring the supporting documents to your appointment.

See our website for tools such as a mileage log, monthly income and expense worksheets, tips on making estimated tax payments, and a cheat sheet for filling out the organizer. Also check out [irs.gov](http://irs.gov) for useful tools and videos. Key words: small biz and [Irsvideos.gov](http://Irsvideos.gov).

### Step 3 – Filling out the form

- Use your documents to fill out the organizer listing only the income and expenses from your self-employment. Preparers will use this information to input the *annual* totals onto the tax return. The organizer has different sections and not all apply to your business. Fill out the sections that do apply. Also, do not round off; use as an exact amount as you can.
- The sections are:
  - Business income
  - Business expenses
  - An office in the home
  - Major purchases
  - Products sold by seller (if you keep inventory)
  - Vehicle information (business mileage)
- If you don't find a category for an expense feel free to write it in.

### Step 4 – What to bring to your tax appointment

- The organizer must be completed **before** your tax appointment. We cannot prepare your tax return without this completed form.
- Photo ID
- Social Security cards or the ITIN numbers for all persons to be listed on the return.
- Birth dates for everyone to be included on the return.
- All tax documents: W-2's, 1099's, and any other tax document.
- Copy of last year's return – this can be especially important for self-employed taxpayers as it may have needed information concerning business use of the home, previous years big purchases and more.
- Both spouses must be present for a joint return.
- For direct deposit - account information (bring a blank or voided check).

Tip: If on your previous year's tax return you have the names and Social Security numbers of **all** persons to be listed on this year's return we can use that instead of the Social Security cards. Of course, you need to bring that return to your appointment.

Appointments are limited and there is much demand. Please be considerate of others when booking appointments.

#### Contact Information

**Self-Employment Hotline**  
651-262-2169  
**Thomas Larson**  
Self-Employment Manager  
[thomas@prepareandprosper.org](mailto:thomas@prepareandprosper.org)  
651.262.2159

Note: We are located in the Court West Building and our parking lot is located diagonally across the street from the building. Use access code **4321#** to enter the lot.

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<b>EXPENSES:</b>		
<b>MAJOR PURCHASES PLUS PREVIOUS YEARS DEPRECIATION (large purchases)</b>		
Item	Month/day/year of purchase	Cost
	/ /	
	/ /	

<b>PRODUCTS SOLD BY DIRECT SELLER – COST OF GOODS SOLD</b>	
1. Inventory at the beginning of the year	\$
2. Product purchased during the year (less cost of products taken for personal use)	\$
List amount here of product taken for personal use \$	
3. Materials and supplies added to product for resale	\$
4. Other costs (miscellaneous)	\$
5. Add lines 1 through 4	\$
6. Inventory at the end of the year	\$
For volunteer tax preparer use Cost of goods sold (subtract line 6 from line 5)	\$

<b>VEHICLE INFORMATION</b>	
Month/day/year vehicle first used for business:	/ /
Mileage in 2014. Total business miles:	Commuting miles:      Personal miles:
Parking and tolls: \$	Interest paid on car loan:
Was your vehicle available for personal use during off-duty hours? No	<input type="checkbox"/> Yes <input type="checkbox"/>
Do you (or your spouse) have another vehicle available for personal use? No	<input type="checkbox"/> Yes <input type="checkbox"/>
Do you have evidence to support your deduction? No	<input type="checkbox"/> Yes <input type="checkbox"/>
If yes, is the evidence in writing? No	<input type="checkbox"/> Yes <input type="checkbox"/>

Odometer tip: Keep track of your total miles driven in year by taking your mileage down on Jan. 1 and then Dec. 31 of the same year. Subtracting your business mileage from your total miles will give you your personal miles driven. If you don't have a home office, keep track of your commuting miles too!

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<b>EXPENSES - LIST DOLLAR AMOUNT UNLESS OTHERWISE NOTED</b>			
Advertising		Business meals	
Commissions & fees		Business travel	
Business liability insurance		Utilities (not household)	
Interest - business loan or credit card		Professional education	
Legal and professional fees (legal or accounting)		Bank charges	
Office supplies		Safety equipment or specialized clothing	
Rent of space or equipment		Freight and postage	
Repairs and maintenance of equipment		Dues or publications for professional organizations	
Other supplies		Telephone - 2 <sup>nd</sup> line into home only	
Business licenses		Cell phone - annual charges	
Sales tax paid to state		Cell phone - business use percent	%
Other (list item)		Other (list item)	

Tip: For your expenses, use an exact figure, don't round off.

<b>EXPENSES: OFFICE IN THE HOME</b>	
Area used for business or storage	Square feet
Total area of house or apartment	Square feet
Yearly rent	\$
Mortgage interest (homeowners)	\$
Yearly real estate taxes (homeowners)	\$
Annual renter or homeowner insurance premiums	\$
Repairs and maintenance	\$
Gas and electric	\$
Water, sewer, garbage	\$
Homeowners only: A) What was the purchase price of the home? B) What date was the home purchased? C) What date was the home first placed into business?	A) \$ B) C)

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Principal business or profession \_\_\_\_\_

Business name \_\_\_\_\_  
 (If no separate business name, leave blank)

Business address, city, state, zip \_\_\_\_\_

Business telephone \_\_\_\_\_

Business start date (1<sup>st</sup> day) \_\_\_\_\_

<b>INCOME</b>	
Forms 1099 including 1099-MISC and 1099-K	\$
Total cash, checks, and credit card payments (to you)	\$
Sales tax collected	\$
Other income – prizes, incentives or awards	\$
<b>Total Gross Income</b>	<b>\$</b>

Tip: Keep separate business accounts (checking or credit) to simplify your finances and your deposits into these accounts should match, or come close to, your total gross income.

<b>HEALTH INSURANCE PREMIUMS</b>	
Did you pay health insurance premiums in 2014? Yes or No. If yes, how much?	\$

<b>ESTIMATED TAX PAYMENTS</b>		
Did you pay estimated tax payments to the IRS or the Minnesota Department of Revenue in 2014? If yes, how much?	Yes	No
	IRS	\$
	MDOR	\$