

# dōTERRA & TAXES

How to come out on top



# Disclaimer

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I'm not a tax attorney, CPA or any kind of expert.

# Federal Taxes

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# Definitions

- Deductions & write offs are the same thing
- Tax deductions reduce taxable income
- Tax credits reduce how much you owe. (state & federal credits, refundable & non-refundable)

## Filing Business Taxes

### TYPES OF FILING

1. No LLC or business name.
2. Start an LLC, file as a legit business.
3. Continue with same LLC, but file as an S-Corp.



### HOW IT WORKS

Subtract your expenses/deductions from your income & add to your personal tax filing.

Same as above (you'll just need your EIN number from the IRS)

You get to have employees (yourself included! Saves you from having to pay as much employee taxes)

# What are all these for? Are the necessary?

- **LLC**
- **Changing your WA account to an LLC**
- **Business license**
- **Liability insurance**

**How is filing as an MLM  
different than regular businesses?**

**It isn't.**

**The IRS doesn't care where your money comes from, they just want to see you pay taxes on your net income (after expenses/deductions)**

# Biggest mistake in looking for expenses...

**“I should look for ways to spend my money so I get more expenses/ deductions.”**

**Instead, you should think....**

**“I should look for ways to ALREADY spend my money and prove it is an expense/deduction for my business”**



# Expenses (or things you deduct from your income)

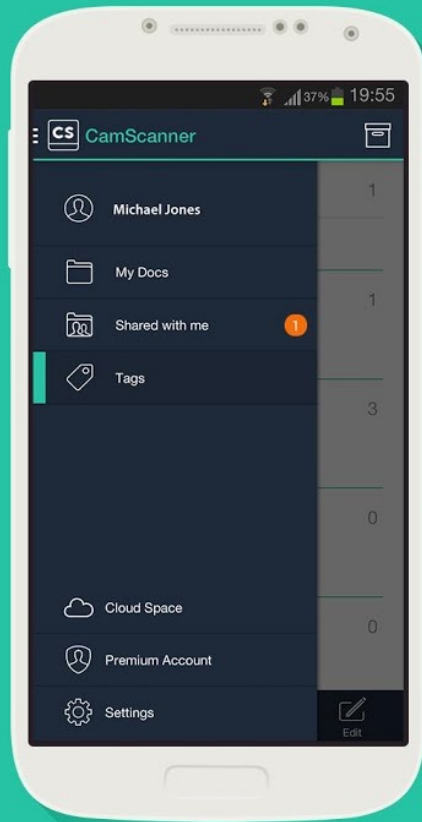
- **Product purchases (LRP orders) - why I do all of mine...**
- **Any other supplies whatsoever.**
- **Computer costs or online tools**
- **Any employees or services**
- **Office supplies/furniture**
- **Promotions, etc.**
- **Shipping**
- **Gas mileage (deduct 56 cents for every mile) (use app to track)**
- **Travel**
- **Training/Continuing Education**
  
- **% Eating Out (write on the receipt what you discussed at meal - most likely it's doTERRA, right?)**
- **% of Phone**
- **% of Internet**
- **% of Mortgage/Rent (based on sq. ft of office space, has to be a primary place of business & designated space)**
- **% of Utilities (based on sq. ft of office space, has to be a primary place of business & designated space)**
- **\$5600 per child per year (keep records of what they do)**





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# **TWO KINDS OF BUDGETING/REPORTING**

- Home
- Customers
- Vendors
- Employees
- Transactions
- Reports
- Taxes
- Apps



**Joe's Landscaping**  
Friday, August 30 2013

### Income



**\$1,390.39**  
OPEN INVOICES

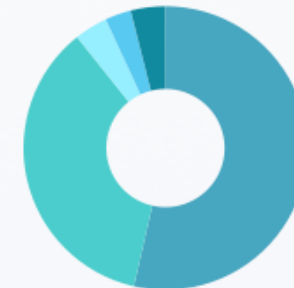
**\$1,311.79**  
OVERDUE

**\$570.00**  
PAID LAST 30 DAYS

### Expenses

**\$2,519.24**  
PAID EXPENSES  
LAST 30 DAYS

- \$1,350.00 Uncategorized Ex...
- \$900.00 Rent or Lease
- \$95.10 Automobile
- \$75.00 Legal & Professiona...
- \$99.14 Everything else

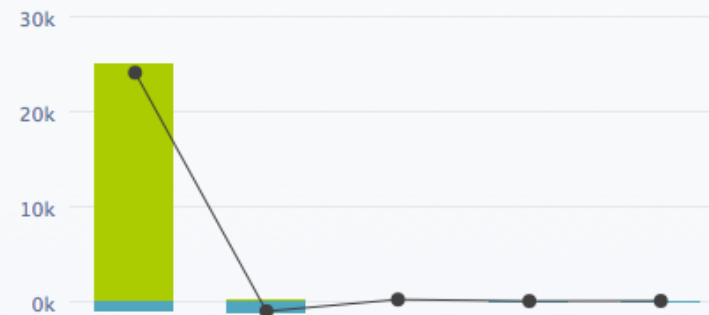


### Profit & Loss

**\$23,065.75**  
NET INCOME

**\$25,495.00**  
INCOME

**\$2,429.25**  
EXPENSES



### Bank Accounts

**12 Transactions**  
need your attention

Checking	\$-3,621.93
Example Bank U.S.A.	Moments ago
Savings	\$200.00
Example Bank U.S.A.	Moments ago
Mastercard	\$304.96
Example Bank U.S.A.	Moments ago
Visa	\$35.00

### Activities

All ▾

- Need Attention**
- OVERDUE Invoice 1018: \$80.00 to Sushi by Katsuyuki Aug 2
- OVERDUE Invoice 1032: \$414.72 to Travis Waldron Aug 8
- OVERDUE Invoice 1019: \$80.00 to Sushi by Katsuyuki Aug 9
- OVERDUE Invoice 1010: \$375.00 to Weiskopf Consulting Aug 9
- OVERDUE Invoice 1037: \$362.07 to Sonnenschein Family Store Aug 11
- QuickBooks Pro/Premier user? [Read this first.](#)
- August 30, 2013 TODAY**
- [Take a tour of the home page](#)

# TAX CATEGORIES TO SEPARATE YOUR EXPENSES

Advertising
Charitable Contributions
Custodial/kitchen
Computer/Technical operating cost (VA, IT)
Dues Membership/Subscriptions
Gifts
Legal
Meals and Entertainment
Office Expense
Outside Services
Payroll Expenses
Postage
Refunds
Repair & Maintenance - Farm
Supplies
Taxes & Licenses
Training/Continuing Education
Travel
Travel Meals
Uniforms
Rent
Utility





# What we do...

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- Before we make a purchase, we think “Could this be called a business expense?”
- Be sure to scan receipts into the app right after a business purchase.
- Sync Quickbooks with a credit card we use only for business & our bank account we use only for business.
- Once a month, log into QB and categorize the expenses into tax categories.
- Once a month, check our budget and see if we’re on track as far as true expenses go.
- End of year, print out a report of income & expenses. BOOM.



# When should you switch to an S-Corp?

**NOTE: You are not technically a corporation, you are an LLC filing as an S-Corp**

- **When your net income (your income after your expenses) is more than \$50,000 a year will it be worth it.**
- **Purpose of an S-Corp (saves you from having to pay so much employment tax - medicare, medicaid, social security)**
- **How it works (You treat yourself as an employee & pay yourself via online transfer or check in the mail from your business bank account to your personal bank account. Rest of income is “distributed” as a payout to yourself)**
- **Payroll (can be a simple online transfer), 1099's**

# How blogging & farm expenses work