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Sole Proprietor Schedule C

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Definition of Sole Proprietor

An individual who owns an unincorporated business by himself/herself.

Self employed

Independent Contractor

Files a Schedule C

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More Definitions

Accounting Periods

Accounting Methods

Cash Method

Accrual Method

Independent Contractor

Employees

Identification Numbers

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Reporting Requirements

Sources of income

Gross receipts

Net Profit

Schedule C-EZ

Self Employment Tax

Hobby

“At Risk” Rules



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Entity Section

Name of Principal

Social Security Number

Business Name

NAICS Code

Address

Accounting Method

Material Participation



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Part 1 Income

Gross Receipts

Statutory Employee

Returns and allowances

Cost of Goods Sold

Gross Profit

Other income

Gross Income



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Part II Expenses - Defined

Paid during the tax year

Not an investment in capital

Must be ordinary and necessary

Not a start up expense

Not an organization expense

Not inventory

Not prepaid expenses

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Part II - Expenses

Advertising

Car & Truck expenses

Commissions & fees

Contract Labor

Depletion

Depreciation & Section 179

Employee benefit programs

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Part II - Expenses

Insurance (other than health)

Interest

Legal & Professional Expenses

Supplies

Pension & profit-sharing plans

Rent or Lease

Repairs & Maintenance

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Part II - Expenses

Materials

Taxes & Licenses

Travel

Meals & Entertainment

Utilities

Wages

Other Expenses

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Part II - Expenses

Business Use of the Home

Net Profit or Loss

All investment is at risk

Some investment is not at risk

Self employment tax

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Part III – Cost of Goods Sold

Methods used to value inventory

Inventory at beginning of year

Purchases

Costs of Labor

Other Costs

Inventory at end of year

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Part IV – Information on Your Vehicle

Date Placed in Service

Total number of miles driven

For Business, commuting, other

Vehicle available for personal use

Do you have another vehicle for personal use

Evidence to Support deduction

Is evidence written



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Other Expenses & Issues

Bad Debts

Amortization

Business Start-up Costs

Net Operating Losses

Sale of Business Property

Sales and Use Tax



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