

BETTERWEALTH TAX CHECKLIST

THE 5 FUNDAMENTAL WAYS TO PAY LESS IN TAXES

1 TAX PLANNING - Tax planning is proactive analysis and implementation to maximize tax breaks and minimize tax liabilities in a legal and efficient manner.

1. Are you confident that you're not overpaying in taxes?
2. Do you have a tax strategy?
3. Do you have the proper entity structure for maximum protection and tax efficiency?
4. Do you mix personal and business expenses on the same debit or credit card?
5. Do you meet with your accountant on a quarterly basis?
6. Are you behind on your bookkeeping?

2 DEDUCTIONS - A tax deduction lowers an entity's tax liability by reducing its taxable income. (Deductions must be ordinary, necessary and reasonable.)

1. Do you have a system to keep your receipts and document business expenses?
2. Check the categories that you currently deduct:

- | | | | |
|--|--|---|--|
| <input type="checkbox"/> Business meals | <input type="checkbox"/> Home office | <input type="checkbox"/> Education | <input type="checkbox"/> Moving expenses |
| <input type="checkbox"/> Business interest | <input type="checkbox"/> Advertising and marketing | <input type="checkbox"/> Depreciation | <input type="checkbox"/> Investment interest |
| <input type="checkbox"/> Phone and internet expenses | <input type="checkbox"/> Office supplies/expenses | <input type="checkbox"/> Business casualty losses | <input type="checkbox"/> Rent |
| <input type="checkbox"/> Business insurance | <input type="checkbox"/> Business use of car | <input type="checkbox"/> Charitable donations | <input type="checkbox"/> Salaries and benefits |
| <input type="checkbox"/> Travel expenses | <input type="checkbox"/> Startup expenses | <input type="checkbox"/> Legal fees | <input type="checkbox"/> Retirement |

3 TAX CREDITS - A tax credit is an amount of money that taxpayers can subtract directly from taxes owed. (Unlike deductions, which reduce the amount of taxable income, tax credits reduce the actual amount of tax owed.)

1. Are you aware of the 25+ tax credits for business and self-employed persons?
2. Are you aware of the 15+ tax credits for individuals?
3. Has your accountant reviewed your last three years tax returns to see if you could retroactively qualify for any tax credits?

4 DEPRECIATION - Depreciation is an expense claimed to compensate for the loss of value of tangible assets.

1. Are you aware of section 179 depreciation?
2. Are you aware of the 100% bonus depreciation for vehicles over 6,000 pounds?
3. Have you taken advantage of cost segregation?
4. Have you taken advantage of depreciation when owning or investing in real estate?

5 ADVANCED STRATEGIES - Unique ways to legally reduce your tax liability.

1. Do you utilize the augusta rule for tax-free income and a business deduction?
2. Do you hire your spouse and/or children?
3. Have you gotten your business professionally valued?
4. Do you utilize trusts?
5. Do you utilize a private family foundation?
6. Have you invested in opportunity zones?