

Business Code #454390 accounting method other/ modified accrual

closing inventory/cost *take to your tax preparer*

I. Income from 1099 or Income Advisory

- 1. Rec commissions _____ + retail sales _____ (no sales tax) =1. _____
- 2. Returns (refunds) -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 (prizes from 1099) +6. _____
- 7. **Gross Income** (Add lines 5 and 6) =7. _____

II. Expenses

- 8. **Advertising Costs** 8. _____
 Booths _____ Display _____
 Raffles _____ Business Gifts/ Flowers _____
 Ads _____ Gifts \$25 (wholesale per person) _____
- 9. **Car** – Begin. Mileage _____ Ending Mileage _____ 9. _____
 Total Mileage _____ at .56.5 _____ Parking _____ Ipass Tolls _____

Or Actual Expenses

Lease/Car Payments _____ Repairs _____ Insurance _____
 Oil _____ Wash _____ Gas _____ Licenses _____

- 13. **Depreciation** (Large Office Expenses) 13. _____
- 15. **Insurance** – Product Coverage _____ Liability _____ 15. _____
- 16. **Interest** - MK Product Loan or Credit Card 16. _____
- 17. **Legal/Professional Services** – tax preparation 17. _____
- 18. **Office Expenses** 18. _____
 Office Supplies. _____ Postage/UPS _____ Business Cards _____
 Printing/Cartridges _____ Desk _____ Phones _____
 Computer _____ Printer _____ Camera _____
- 21. **Repairs Office Equipment** 21. _____
- 22. **Supplies (take off MK Income Advisory)** 22. _____
 PCP _____ Section 2 Sales Aid + Tax _____
 Shipping fees _____ CDS _____ Starter Kit _____ (if new)
- 23. **Taxes**– Non recovered Sales Tax 23. _____
Add up any sales tax that you didn't collect

24. Travel Expenses

Air _____ Registrations _____ **24a.** _____
Hotel/ Tips _____ Taxi _____ Limo _____
Dry Cleaning/ traveling _____ Car Rental _____ Parking _____

Meals and Entertainment Take 50% of **Total** _____ **24b** _____ 50%

Classes in home _____ Business meals _____
Meals while traveling _____ Luncheons _____

25. Utilities _____ **25.** _____

Phone (2nd line take all) _____ % of cell Phone _____
Website _____ Internet _____ I-Pad data _____
Home Phone bills (Call waiting, 3-way, Caller- I.D -Voice Mail) % _____

26. Wages pd – Under \$600 _____ **26.** _____

27. Other Expenses _____ **27.** _____

Bank Service Charges/Checks /Credit card fees /Propay fees _____ Magazines/Newspapers _____
Cotton balls/ class supplies. _____ Product (w) Demo Expenses _____
Mugs/ flowers, wrapping _____ Film/processing _____
Dovetails pd to others _____ Hostess Contests fees _____
Membership Fees/Sam's/Costco _____ Bad Debt – uncollected sales + sales tax _____
Workshop/meeting fees _____

28. Total Expenses (add lines 8 thru 27) _____ **28.** _____

29. Tentative profit (loss) subtract line 28 from line 7 _____ **29.** _____

30. Expenses for business use home (Attach form 8829) _____ **30.** _____

31. Net profit or (loss) _____ **31.** _____

COST OF GOOD SOLD SECTION

33. (COST) 34. (NO)

35. Beginning Inventory: SECTION ONE ONLY _____ **35.** _____

Total **wholesale** amount of inventory on your shelf (**January 1, 2012**)
taken off last year's **2012** Year End inventory)

36. Purchases less cost of personal use

Total **wholesale** purchases in 2013 (*income advisory* figure + **Dec order**)

Your **personal** cosmetic use (**wholesale - no gifts**) minus **36** _____

40. Add lines 35 and 36 _____ **40.** _____

41. Inventory at end of 2013 year _____ **41.** _____

Ending amount of wholesale products on your shelf 12/31/2013

42. Cost of Goods Sold Subtract line 41 from 40. _____ **42.** _____

(Enter on page 1 line 4)

Additional forms may be needed. Depreciation form 4562 (home/car/large office expenses.)
Office in Home Form 8829 or New optional \$1500 form. **Child Care Credit form 2441**
Self employed Social Security tax due on any profit over \$400. (see schedule SE)
If you pay this tax, 50% is adjusted on your 1040 form.

If you are BOTH self-employed YOU may deduct 100% of your health insurance premiums on Schedule A

BUSINESS USE OF YOUR HOME

A. VALUE OF YOUR HOME _____

1. Total original cost, plus improvement _____
2. Cost of land _____
3. Year purchased _____

B. Percentage of home used for business

1. Area of home used for business (square feet) _____
2. Total square feet of home _____
3. **Divide #1 by #2 to get the % used for business** _____

Depreciation of Home = _____

C. **Direct expenses** to business part of home

1. Painting of office _____
2. Repairs to office _____
3. Shelving, carpeting, etc _____

D. **Total Direct Expenses** (add #1, #2, #3) use 100% _____

E. **Indirect expenses** (you can only use % of business space from above on these deductions)

1. Real Estate Taxes	_____ X	_____ % =	_____
2. Mortgage Interest	_____ X	_____ % =	_____
3. Home Equity Interest	_____ X	_____ % =	_____
4. (OR) Rent	_____ X	_____ % =	_____
5. Water, Sewer, Garbage	_____ X	_____ % =	_____
6. Heat	_____ X	_____ % =	_____
7. Electric	_____ X	_____ % =	_____
8. Insurance	_____ X	_____ % =	_____
9. Roof Repair	_____ X	_____ % =	_____
10. Exterior Painting	_____ X	_____ % =	_____
11. Lawn Service	_____ X	_____ % =	_____
12. Misc. (Housekeeper)	_____ X	_____ % =	_____

F. **Total Indirect Expenses** _____ X _____ % = (_____)

G. Add Direct Expenses (D) and Indirect Expenses (F)
for total home office deductions TOTAL _____

THIS FORM 8829 CAN ONLY BE USED IF YOU ARE SHOWING A PROFIT ON YOUR SCHEDULE C..... IF YOU ARE ALREADY AT A LOSS THIS YEAR, THEN KEEP THIS FORM FOR FUTURE YEARS THAT YOU NEED THE DEDUCTIONS WHEN SHOWING A PROFIT ON SCHEDULE C. mortgage - interest - & real estate are still allowed and forward other expenses to another year. You may be asked to document that you have done at least 50% of your work out of your home when taking these deductions. It's best to mark your date book whenever you are working at home on the phone, unpacking orders, classes, reorder visitors, placing orders, mailing and follow-up.

2013 there is a new optional home office deduction based on \$5 sq. ft. capped at \$1500 You can then take real estate and mortgage all on the Schedule A