



The Tax Guy

Picture it now: it's the last session of a long day of presentations and workshops, and you look at the agenda again and realize that the final topic is that dreaded word, "taxes". You know that this is an important topic and affects us deeply all as independent contractors; maybe it's something you feel on top of, or perhaps it's something you've been avoiding. What you never would have predicted is that we were fortunate enough to have a knowledgeable individual, very interested in bike racing and the work that we do (yes, by coincidence he is a bike race fan(atic)), who is also an energetic and engaging speaker. We all walked out of that session saying to ourselves, "Wow, I just learned a lot and it was fun!"

While the choices that we all make regarding our taxes is highly personal, the main focus of the presentation was to let us all know that there are good benefits to getting your officiating tax items off of a Schedule C. Options include LLC (single member), LLC (multi-member), and S Corp. Starting your own business as either an LLC single member or multi-member is easier than we may think, and the best advantage is that the corporation limits the liability against you as an individual. In other words, if something goes wrong the corporation can go bankrupt without taking everything that you own personally. Please review the slides which include the more technical details and the differences between the types of corporations available. It's well worth your time, but you'll just have to imagine the engaging energy that "The Tax Guy" brought to those who were at the Summit.

His recommendation is that all officials should, at the very least, be recording their officiating income and expenses on Schedule C, and keep a mileage log!! His recommendation, however, is to form a LLC or LLP (multi-partner limited liability corp). For those who net > \$25,000 per year he recommends forming an S-Corp. Forming an LLC, LLP, or S-Corp affords better protection of personal assets and may save some \$ on FICA.

You'll likely benefit more in the future from his interest and his assistance with Independent Contractor Agreements he's promised to assist on.