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Hello to all my Clients, it's Fall again, bringing cooler weather and hopefully an end to all the fires in the West. I celebrated the end of summer with one last trip, this time down to Tahoe where my daughter, Megan, competed in a BodyBuilding.com Fitness Competition. It was her first competition, and she placed 4th in the teen bikini category. Her mom has been competing on and off for several years, and Megan decided to try it as a new challenge. She learned a lot in the competition, and will probably do a local contest in the next year.

After a busy summer, all my kids have started school again, three at BSU and one in high school. Brandon will be a senior in Kinesiology, Ashley is a junior studying Computer Science, Megan is a sophomore. Lauren starts her junior year in high school, and is enjoying singing in an a capella group called "Voice Over." Both Ashley and Megan have been working part time in my office, you may see them from time to time helping out while they are not in class.

You can still catch me Monday-Thursday weeknights on Idaho's Money Show 6-7pm on KIDO (580AM or listen live on your computer at 580kido.com). I post summaries of various shows on my website too. We welcome your questions about issues you are having, or comments on the topics of the day.

We will be offering a class on Estate Planning for Tax Benefits on October 6, from 6:00-8:00pm at CapEd Credit Union's Meridian branch office: 275 S. Stratford Dr, Meridian, ID 83642. Reserve your spot in the class on idahosmoneyshow.com Just look for the Education tab!

Give me a call with your questions or concerns,

Steve

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The Tax Benefits of Business Forms

The most common legal ways to organize and define your business are Sole Proprietor, Partnership or LLC, S-Corporation and C-Corporation. What are the benefits or liabilities of each in terms of income or business taxes?

A Sole Proprietorship provides the very least benefits to save on taxes. A Sole Proprietor pays self-employment taxes and income taxes. The main benefit to this kind of business is the ability to deduct business expenses from your income.

A Partnership or an LLC (Limited Liability Company) doesn't pay income taxes on profits; the members themselves pay FICA taxes on their "guaranteed income" and income taxes on profits. When partners leave profits in the business instead of withdrawing them, these profits are known as retained earnings, and the IRS requires the partners to pay taxes on the retained earnings even though it is not distributed.

An S-Corporation is designed for small business owners. The S-Corp itself doesn't pay taxes, the shareholders do. Much like a partnership or LLC, if an S-Corp has profits, the shareholders are expected to pay taxes on the earnings, whether or not they are distributed.

Full article see my website: steverausch.com/tax-benefits-for-businesses/

Please call anytime and set an appointment with me to get answers to estate planning, Idaho business law or other legal questions.