



How Owning a Small Business Can Save You Money in Taxes

It seems lately that everyone is starting a small business or is at least considering the idea. There are many advantages to starting a small business, as well as some disadvantages. Below are some of the more common advantages.

Advantages

There are many advantages to starting a small business. Aside from all the rewards from working your own hours and fulfilling a dream, there are many ways to improve your tax situation.

One of the greatest advantages is the ability to shift income around in order to reduce your taxable income. This can be achieved in many ways. One strategy is to employ a child in the business. This allows you to reduce your own personal income, and have the income of the child be taxed at a lower tax bracket.

Another method of shifting income is by contributing to other retirement programs besides the IRA. These other retirement programs that are available to business owners allow for more income to be deferred, and thus reduce the current years tax expense.

These are just a few of the ways that owning a small business can allow you to improve your tax planning strategy. There are many more ways to reduce your taxes, and we are more than happy to discuss them with you.

If this tax strategy is of interest to you or you are interested in any other tax planning strategies, please feel free to call The Ruboyianes Company.