



SHIMONOV LAW

Tax-Saving Tips

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Proven Tax Reduction Strategies for Sole Proprietors

If you operate your business as a sole proprietorship, there are many strategies to reduce your taxes.

Let's start with the following 10:

1. Use the Section 105 plan to make your health insurance a tax-favored business deduction on your Schedule C.
2. Employ your under-age-18 child to make taxable income disappear.
3. Employ your spouse without paying him or her a W-2 wage.
4. Rent your office, even your home office, from your spouse to save self-employment taxes.
5. Establish that an office in your home is your principal office to increase (yes, increase!) your vehicle deductions and also turn personal home expenses into business expenses.
6. Give yourself flowers, fruit, and books as tax-deductible fringe benefits.
7. Combine the home office and a heavy SUV, crossover vehicle, or pickup truck to grab big deductions this year.
8. Design a business trip that includes some personal days—days you treat as 100 percent business even though you don't work on those days.
9. Use the seven-day tax deduction travel rule to create a business trip that is 87 percent personal vacation.
10. Deduct your smartphone and provide smartphones to your employees as tax-free fringe benefits.

If one or more of these look good to you, let's talk about how to make them work.