

3-Dimension Tax Planning

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Facts

- Ideas of saving tax?
 - Save Starbucks coffee receipts
 - Set up a 3D tax structure that fit your business
- Examples:
 - A sole Proprietor operation between husband and wife with 60K profit – saved \$150 vs \$4,500
 - LLC partnership with 100K profit – saved \$0 vs \$10,500
 - S-Corp with 85K distribution – saved \$0 vs \$32,300



3D Tax Structure?

- What are the three dimensions?
 - Type of the corporation – the tax structure or legal structure
 - Operation cycle – 12 month from Jan to Dec or from Feb to Jan?
 - Cash method or accrual method?



Most Used Tax Structures

- Sole Proprietorship
- LLC/LLP
- S-Corp
- C-Corp



Examples of BIG Tax Saving the Best Use of 3D

- Real Estate Developer
 - LLC to hold titles
 - S-Corp to manage
 - C-Corp to flip
- Retailers or Restaurant
 - C-Corp on the street running w
fiscal year end
 - LLC as landlord



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