

Transportation Tax Specialists, L.L.C.

Tax Newsletter 2008

By Gerald R. Morlan, EA

Here are a few mistakes that could cost you hundreds or thousands of \$\$\$\$\$\$.

DRIVERS

Mistake Number 1

Driver was told he couldn't itemize his expenses. As it turns out he could itemize after considering his per diem meal allowance. This mistake made by his tax preparer cost him \$1,500. **CASH LOST BECAUSE THE TAX PREPARER FAILED TO TAKE ADVANTAGE OF THE TAX OPPORTUNITY ALLOWED BY THE IRS.**

Mistake Number 2

Driver maintained an office in his home to keep track of his trucking expenses. He didn't say anything to his tax preparer about the home office. This mistake cost him \$400. **CASH LOST BECAUSE THE DRIVER FAILED TO TAKE ADVANTAGE OF THE TAX OPPORTUNITY ALLOWED BY THE IRS.**

OWNER OPERATORS

Mistake Number 1

Owner operator received a 1099 for \$100,000. \$10,000 of this was for truck pay. He included the entire \$100,000 on the schedule C of his tax return and therefore paid social security tax of \$1,413 unnecessarily. **CASH LOST BECAUSE HE FAILED TO TAKE ADVANTAGE OF THE TAX OPPORTUNITY ALLOWED BY THE IRS.**

Mistake Number 2

Owner operator puts 5,000 miles on his pick up truck to get parts and supplies for his semi truck. He didn't turn in the miles to his tax preparer and consequently didn't get a tax deduction. This mistake cost him \$600 cash. **CASH LOST BECAUSE HE DIDN'T TAKE ADVANTAGE OF THE TAX OPPORTUNITY ALLOWED BY THE IRS.**



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Monticello, IN 47960**

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TRANSPORTATION COMPANY

Mistake Number 1

This trucking company paid \$15,000 in federal income tax and should have paid \$12,000. The company didn't realize it was entitled to a \$3,000 federal tax credit for off road use for fuel. **CASH LOST BECAUSE THE COMPANY FAILED TO TAKE ADVANTAGE OF THE TAX OPPORTUNITY ALLOWED BY THE IRS.**

Mistake Number 2

This trucking company filed taxes as a Sub S Corporation and had a \$20,000 loss. Because the money put into the business when incorporated was \$1,000, the loss was limited to \$1,000. If the company would have been set up as a single entity LLC the entire loss of \$20,000 could have been deducted. The company lost \$4,750 in cash because it couldn't take advantage of the \$20,000 loss. **CASH LOST BECAUSE THE COMPANY FAILED TO TAKE ADVANTAGE OF THE TAX OPPORTUNITY ALLOWED BY THE IRS.**

The dollars lost above represent cash out of someone's pocket. Don't think of these dollars as something high up in the sky that aren't real. They are just as real as the dollars you earn. They will buy just as many cigarettes, motorcycles, clothes, home movies etc as the dollars you earn.

DON'T BE A VICTIM!

Call

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or

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