



Astron Business and Tax Services, LLC

116 C G Greer Rd. Rayville, LA 71269

(318)396-9600-office

(318)918-1762-fax

1 (866) 644-8099-Toll Free

www.astronbts.com (website) email@astronbts.com (email)

INFORMATION SHEET NEW BUSINESS

Contact Person: _____

Title: _____

Business Entity: Proprietorship Corporations (Profit) Non Profit
 Partnership Sub "S" _____
 LLC Sub "C" _____

Purpose: _____

| | | | | | | |
|-------------------|----------|--------------------------|-----|--------------------------|----|--------------------------|
| Business Name: #1 | Cleared? | <input type="checkbox"/> | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| OPTIONS #2 | Cleared? | <input type="checkbox"/> | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| #3 | Cleared? | <input type="checkbox"/> | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| _____ | Cleared? | <input type="checkbox"/> | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |

State: _____ County: _____
 _____ County: _____
 _____ County: _____

Physical Address of Business: _____

Mailing Address of Business: _____

Duration (Life Span): Perpetuity

Special Operating Procedures: _____

Restrictions: N/A

Stock Holders: N/A

Stock Holders: N/A

Stock Holders: N/A

Stock Holders: N/A

Member Name: _____
Social Sec. # _____
Address _____
Address _____
Conatct # _____
D.O.B _____

Member Name: _____
Social Sec. # _____
Address _____
Address _____
Conatct # _____
D.O.B _____

Member Name: _____
Social Sec. # _____
Address _____
Address _____
Conatct # _____
D.O.B _____

Member Name: _____
Social Sec. # _____
Address _____
Address _____
Conatct # _____
D.O.B _____

Has any member been convicted of a felony?

YES

NO

Have you ever applied for an EIN?

YES

NO

If yes give #: _____

Expected date of completion: _____

Closing Accounting month: _____

Principl Activity: _____

Comments / Instructions: _____

Client Information Form

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Date: _____

Referred: _____

E-Mail: _____ OR _____

Taxpayer:

Name: _____ Social Security #: _____

D.O.B: _____ Marital Status: _____ Anniversary Date: _____

Address: _____ County: _____ Own: _____ Rent: _____

City: _____ State: _____ Zip: _____

Home #: _____ Cell#: _____ Work: _____

Drivers License #: _____ Ex Date: _____ Issue: _____

Employer/Business _____ Years: _____ Months: _____

Address: _____ City/State/Zip: _____

Job Title: _____ Telephone #: _____

Spouse:

Name: _____ Social Security #: _____

D.O.B: _____ Marital Status: _____ Anniversary Date: _____

Address: _____ County: _____ Own: _____ Rent: _____

City: _____ State: _____ Zip: _____

Home #: _____ Cell#: _____ Work: _____

Drivers License #: _____ Ex Date: _____ Issue: _____

Employer/Business _____ Years: _____ Months: _____

Address: _____ City/State/Zip: _____

Job Title: _____ Telephone #: _____

Taxpayer:

Nearest Relative(s):

Spouse:

Name: _____ Name: _____

Address: _____ Address: _____

City/State/Zip: _____ City/State/Zip: _____

Dependents Name:

Relationship

D.O.B

Social Security #:

| Dependents Name: | Relationship | D.O.B | Social Security #: |
|------------------|--------------|--------------|--------------------|
| Name: _____ | | D.O.B: _____ | S.S. #: _____ |
| Name: _____ | | D.O.B: _____ | S.S. #: _____ |
| Name: _____ | | D.O.B: _____ | S.S. #: _____ |
| Name: _____ | | D.O.B: _____ | S.S. #: _____ |

Fundraising: _____ Real Estate: _____ Trusts & Wills: _____

Business Loan: _____ Business Services: _____ C.D.: _____

Home Mortgage: _____ Taxes: _____ Paper: _____

Notes: _____ E-Mail: _____

Limited Liability Company (LLC)

- The LLC combines most of the favorable aspects of the partnership and corporation.
- An LLC is a business entity, separate from its owners, that provides the LLC member with a limited amount of liability, which is usually only common to corporations.
- In most cases, an LLC with two or more members is taxed as a partnership, passing its income and losses through to its members, avoiding the double taxation that is applicable to corporations.
- Single member LLCs that do not elect to be taxed as a corporation will report the income from the activity on Schedule C, Schedule F, or Schedule E as appropriate.
- The LLC can alternatively elect to be taxed as a corporation. Other attributes of the LLC will be determined by how the LLC is taxed. An LLC taxed as a corporation follows the corporation provisions and an LLC taxed as a partnership follows the partnership provisions.
- The LLC is formed under state law by filing Articles of Organization with the state.
- An LLC's Articles of Organization usually define who will be responsible for managing the LLC.
- Liquidation of a multi-member LLC will depend on whether the organization is taxed as a partnership or corporation.
- There is one major disadvantage of the LLC – they are a relatively new form of organization, which means there are still unresolved issues regarding their operation.

Limited Partnership

- This entity follows most of the partnership rules, but the limited partner is not (and cannot be) active in the business.
- The limited partner is an “investor” who shares in the profits and losses of the business based on his or her ownership percentage.

S Corporation

- This entity follows most of the rules of a corporation, but income and losses are passed through to the shareholder, thus avoiding double taxation.
- There are very specific rules that S corporations must follow regarding who can be an S corporation, how many shareholders are allowed, and what type of stock can be issued.

Summary

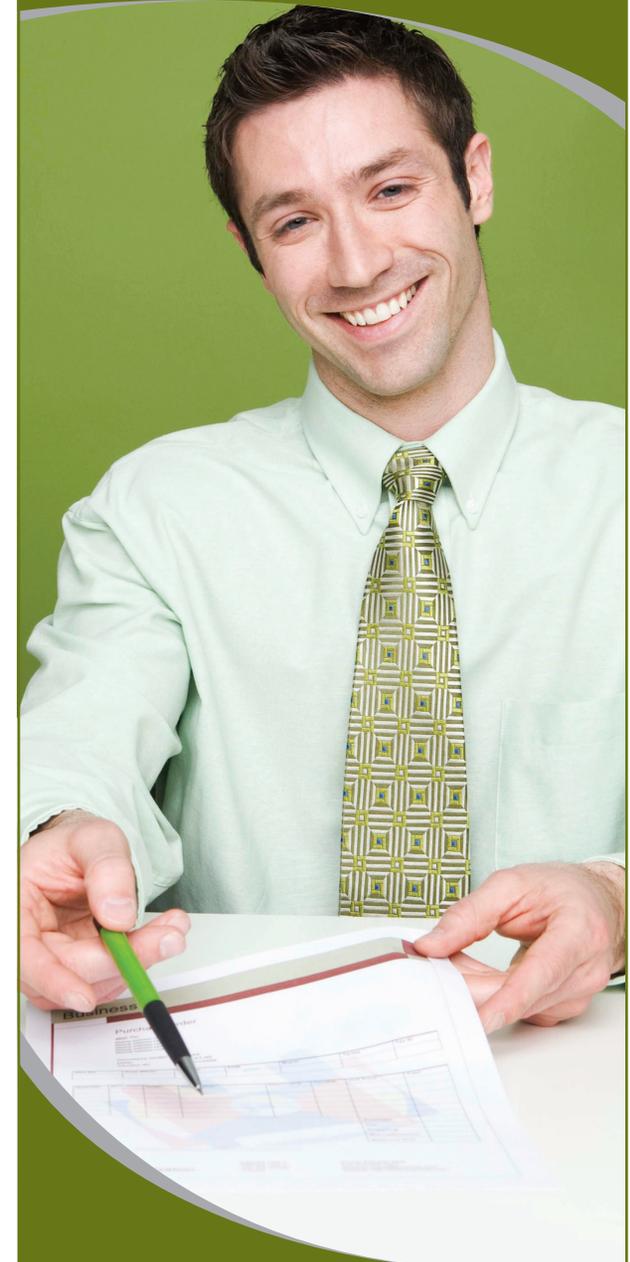
Understanding both the tax consequences and the operating procedures under each form of organization is vital to your success as a business owner. Your tax advisor can be an excellent source of information regarding entity considerations for your specific situation.

This brochure contains general tax information for taxpayers. As each tax situation may be different, do not rely upon this information as your sole source of authority. Please seek professional advice for all tax situations.

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Choosing Your Business Entity



Starting a business? One of the most important decisions you'll make is choosing what type of entity to operate as. A business can operate under five different forms (or entities). Your decision affects how you will be taxed and also plays a role in management, owner liability, ability to raise capital, and the liquidation process. As your business changes, it is possible to change your form of entity. This could be quite simple, or could turn out to be a very complex procedure. By making an informed decision initially, you can save a great deal of time and expense later.

Sole Proprietor

- The sole proprietor and the sole proprietorship are one and the same taxpayer; there is no separate legal entity.
- The sole proprietor is the owner of all the business assets and is liable for all business debts.
- Personal assets are subject to seizure by business creditors (to the extent available under state law).
- The sole proprietor is usually the manager of the business. His ability to raise capital is often limited to his own investments and the amount he is able to borrow, based on his personal credit.
- A sole proprietorship is the easiest type of business to form and to terminate.
- Quitting business can be as easy as saying, "I'm no longer in business."
- Unless assets are sold, there are seldom tax consequences upon liquidation.

Partnership

- Two or more individuals who make a voluntary contract to carry on a trade or business own a partnership. A partnership is a separate legal entity from its owners.

- The partnership is not a taxable entity. Instead, the income and expenses of the partnership are passed through to the partners and taxed on their individual income tax returns.
- Together, the partners are liable for the debts of the business, and personal assets may be subject to seizure by business creditors (to the extent available under state law).
- The partners usually share responsibility for the management of the business, but not necessarily on an equal basis.
- Partnerships can raise capital more easily than sole proprietors because the investment and liability is spread between more individuals.
- A partnership may also sell interests in the partnership to outside investors.
- A partnership is formed by a written or oral partnership agreement and terminated by death, withdrawal of a partner, or transfer of ownership interest.
- Liquidation is tax-free at the partnership level and allocated to each partner according to basis on the individual level.

Corporations

- A corporation is a separate legal entity apart from its owner. The corporation is responsible for all of its own transactions and can be sued separately from its shareholders.
- Shareholders have "limited liability" in corporate affairs.
- Personal assets of shareholders are seldom subject to seizure by corporate creditors, unless the shareholders have agreed to guarantee loans. This is one of the advantages of the corporate form of organization.
- Management is the responsibility of a board of directors, the shareholders themselves, or hired managers.

- The ability to raise capital is easier for a corporation than for any other form of organization. This is because the corporation issues stock and can sell additional stock if it needs to raise capital.
- The formation and liquidation of a corporation is more complex than any other type of entity.
- A corporation must be incorporated under state law and Articles of Incorporation need to be filed with the state.
- The board of directors generally must approve liquidation.
- At the entity level, assets are treated as sold for fair market value with the corporation recognizing the gain or loss on the corporate tax return.
- At the individual level, the shareholders recognize gain or loss based on the basis of their stock in the corporation versus the fair market value of assets received from the corporation.

Associations

- An association is an unincorporated business that is taxed as a corporation for federal tax purposes, even though it may not qualify as a corporation under state law.
- After January 1, 1997, an association is treated as a partnership unless it elects to be taxed as a corporation.

- You may also need to make estimated tax payments for the business entity.
- The sole proprietor would be responsible for income tax and self-employment tax on the business profits.

Record Keeping

- It is important to establish a good record keeping system early in your business.
- It is necessary to keep an accurate account of the following:
 - * Payroll records
 - * All income and expenses related to the business
- Most businesses have the option of choosing the cash method, the accrual method or a hybrid method of accounting.
- If the IRS were to audit your return, you may have to prove expenses by producing receipts.

Start-up Costs

- You may need to separate some expenses. The two categories are:
 - 1) **Expenses you incur in exploring and setting up the business.** For 2012, you may deduct \$5,000 of start-up costs. The remaining expenditures are amortized over 180 months, beginning in the first year your business begins.
 - 2) **Expenses you incur from the time the business officially begins.** These are currently deductible.
- Start-up expenses may include training wages, pre-opening utilities, rent, advertising, depreciation and any exploration costs.

Capital Expenditures

Not all of the expenses paid for a business are currently deductible.

- Items that have a life of more than one year are currently depreciated or amortized rather than deducted.
- Equipment and real estate are common examples of depreciable assets.
- If your business requires you to maintain an inventory of the items you sell or use to make a product, these costs become part of inventory that you will deduct as you sell the product.
- It is necessary to keep accurate records of the beginning and ending inventory each year.

Other Considerations

- Liability and asset protection.
- Fringe benefits desired (if any).
- State and local requirements, such as licenses, permits and registration of the business.

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Starting a Business



A Bright Idea

Do you have an entrepreneurial spirit? Do you dream of being your own boss? Many people have the desire and solid ideas for starting a new business, but they either lack the courage to take the first step or they don't know where to start. Here is some information that may help guide you in taking those first steps.

Develop a Business Plan

- This is the blueprint of your operations for the next couple of years. You control the level of detail, but it should cover:
 - * The type of business, product or service offered
 - * Types of customers
 - * Pricing
 - * Start-up capital
 - * Forecasting of revenue and expenses
 - * Marketing plans
- For help, consult sources at the public library, over-the-counter computer software, the Chamber of Commerce, local colleges and websites like that of the Small Business Administration at www.sba.gov.
- A business plan is important for obtaining a business loan to set up operations.

Registration of Business

- From a tax standpoint, you need to decide whether you're going to embark on this endeavor alone, as a sole proprietor or with others, as a partnership. You may also want to consider incorporating.

- Depending on which you choose, you may have to deal with legal ramifications.
 - * Some states allow you to just start a business.
 - * Other states require you to register the type of business and follow certain guidelines before you are able to open the doors.

Location of Business

- The location could be crucial, depending on the business type.
- Parking, space and cost are all important considerations.

Tax Considerations

- Most businesses need an employer identification number (EIN). This number is the equivalent of the social security number for a business.
 - * You can obtain a federal EIN by filing Form SS-4, *Application for Employer Identification Number*.
 - * Form SS-4 is available from your tax preparer, the IRS or the Social Security Administration.
 - * You can mail, fax or submit by tele-TIN your Form SS-4 to the IRS service center for your area.
- You'll need to include this number on all employee payroll reports.
- Even if it does not have any employees, any entity other than a sole proprietorship must have an EIN to file income tax returns.
- Additionally, your state will probably require a state identification and/or sales tax number for the same reasons.

Employees

- If you plan to have employees, you are generally responsible for:
 - * Payroll taxes
 - * Social security taxes
 - * Medicare taxes
 - * Unemployment taxes
 - * Collection of federal and state (where applicable) withholdings
 - * Employee's share of social security and Medicare taxes
- As an employer, you are responsible for making deposits of the collected taxes at the appropriate times throughout the year.
- Unless you qualify as a small employer who files Form 944 annually, file Form 941 quarterly to inform the government of the withholdings and payments.
- The IRS will require you to annually file Form 940 for unemployment tax information.
- Failure to file and pay on a timely basis could result in severe penalties.
- Some employers avoid the payroll cycle by treating individuals as independent contractors.
 - * The IRS has issued a set of criteria it uses to determine whether an individual is an employee or an independent contractor.
 - * If you incorrectly treat an employee as an independent contractor, you may be subject to penalties.
 - * Before you make this determination, discuss it with your tax advisor.