

THE OFFICIAL NOTES OF

JOEL'S LLC CRASH COURSE



Form 1040 2020

16	Tax 1
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Night Area Wage

Refund

Amount You Owe

Sign Here



Need help?



Register An LLC?

Why do this?

This will be basic math for simple illustration.

Let's look at Ken and Jim they both work together at the same job and do freelance on the side.

Ken has a full time job and earns \$1000 a week salary, and pays \$15,000 a year in taxes.

He does freelance work on the side, and earns an extra \$1000 a month.

Ken will owe another \$4,000 in taxes in April. Bummer dude! "Owning a business sucks" LOL!

Jim has a full time job and earns \$1000 a week salary, and pays \$15,000 a year in taxes.

He does freelance work on the side, and earns an extra \$1000 a month.

Jim sets up an LLC, EIN, Bank Account, QBO and now, he gets a tax deduction for his laptop, his cell phone, his Internet, his home office, his printer, his car, his car insurance, his gas, his accountant, his lawyer, his travel to hotels for conferences, his online course, his certifications, his software, etc.

Jim gets \$10,000 back in taxes in April, living the American dream.

Also, Jim got a \$10,000 SBA grant did not have to pay that back either.

Don't be a Ken, be like Jim!

ALL THE STEPS ARE LISTED BELOW

Cheers,



Joel Frenette,

* While this book is intended to provide information on taxation and financial matters, such information or references should not be construed or interpreted as legal advice, investment advice or viewed as an endorsement. The author has invested and likely will invest in the products and services discussed in this book. However, any comments or suggestions offered in this book regarding such financial firms or their products and services are solely the opinions of the author.



BUSINESS NAME:

Pick a Unique Business **Name for your LLC**

You can do a search here to make sure the name has not been used already

<https://search.sunbiz.org/Inquiry/CorporationSearch/ByName>

Pick a Unique **Domain Name** for your website

<https://www.NameCheap.com>

The registered LLC name and the Website name DO NOT have to match, but it makes business sense to **get** them inline. So might as well check they BOTH available before you register one and find out the other is already taken!

For example:

My web design business is [WEBDESIGNS99.COM, LLC](https://www.WEBDESIGNS99.COM) and the website is [WEBDESIGNS99.COM](https://www.WEBDESIGNS99.COM)

LLC SETUP:

Register as a single member LLC with Sunbiz in Florida costs \$155

<https://dos.myflorida.com/sunbiz/start-business/efile/fl-llc/>

NOTE: This becomes a “**passthrough entity**” or aka “**disregarded entity**” by default, meaning the company does not pay separate income taxes, you simply report the self-employed income minus self- employed expenses on your personal income taxes 1040 forms as a Schedule C form. The magic is that your business expenses will reduce your taxable income (from you’re your other taxable income, like your full-time job)

You do not need to pay extra for the certified paperwork.

You will want to save copies of the “**Articles of Organization for Florida Limited Liability Company**” for your records. You will get copies by mail, and you can always download those PDFs from the Sunbiz website for free.

NOTE: This is needed for opening business bank account

Create an “**Operating Agreement**”

This is a simple word document or PDF file that you sign and date, basically, officially stating you are in business, and what you do. Seems trivial, but it is often part of the “documents needed to prove that you are operating a business legally”. You can literally use ANY online downloadable template.

Get Licensed or “Tax Receipt”

Some local cities or county licensing may be required, and some businesses need to be certified or licensed. For example, here in Delray Beach, Palm Beach County, I need to have a Business Tax Receipt to have a legit home business registered, especially if I want to be insured

<https://www.delraybeachfl.gov/government/city-departments/neighborhood-community-services/business-tax-receipts/business-tax-receipt-fees>



IRS SETUP:

Get the IRS Tax Number EIN

<https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers>

This is needed for opening business bank account

Takes 5 minutes and you are creating a legal entity for tax purposes.

Every business account after this will use the EIN, not your SSN to distinguish the "Business" from "You as a person".

BANKING:

Open Business Bank Account

Get both a checking and a credit card (with points)

Use the credit card for all business expenses – nothing that is for personal use only – it gets messy for accounting.

NOTE: You do not need the corporate book and seal, etc., but you will want the checkbook. Chase Total business Checking is \$12 a month unless you have minimum balance of \$1500 then the monthly fee is waived.

You can take advantage of the "new business" offers, but you have to call and ASK and BEG for them!!! Like "Chase Total Business Checking" gives you \$300 free if you keep minimum deposit of \$1000 for 60 days.



ACCOUNTING:

Get Freelancer version of "QuickBooks Online Self-Employed" for \$15 a month

<https://quickbooks.intuit.com/self-employed/>

Link this directly to your new business accounts.

We hired Matt to get the chart of accounts setup correctly and do the proper categories of expenses Matt Seymour is a certified CPA and can work remotely as a CPA connected to any QBO account. His cell# is 1-845-849-6406. <https://seymouraccounting.com/>

He does the setup and monthly bookkeeping, but does not do the year end taxes.

The "trick" is to properly "categorize" all the expenses, so you get the maximum "Schedule C deductions" by tax time, that's why we decided to pay Matt to help get that part done.

You can review the IRS Profit & Loss from Self-Employment - Schedule C Form

<https://www.irs.gov/pub/irs-pdf/f1040sc.pdf>

TAXES:

There is a bundle to get the "QBO Self-Employed" + "TurboTax Self Employed" for \$25 or you can pay a tax account for approx. \$200 at tax time.

This links directly to your QuickBooks files and you can file your taxes automatically.

<https://turbotax.intuit.com/personal-taxes/self-employment-taxes>



INSURANCE:

As a home business, online business or a service provider, you will want to have some basic insurance to cover your ass from lawsuits.

"Business Liability Insurance" also known as "Business Interruption" or "Loss of Income"

Here is a short article of the different kinds of insurance

<https://www.entrepreneur.com/article/241026>

INCOME: GETTING PAID as 1099:

QuickBooks Online Invoicing: You can invoice clients in QBO.

PayPal Business: You can easily setup a PayPal business account and invoice through PayPal.

See my websites have price tables & PayPal buttons:

<https://WebDesigns99.com/> & <https://SocialAdsThatWork.com>

Must be a 1099 linked to your EIN, not your SSN!

You can do work for businesses as a self-employed contractor, that means they should pay you as a 1099. If so, you ask your clients to pay your business, not YOU, personally.

Get paid as a 1099 to your new Business Name and EIN, might be a pain in the ass for clients to update their files, but you want the income to come into the new Business Name EIN and go into the business account to prove you have a legit business and NOT to you personally.

LEGAL SEPARATION:

One good thing to remember is always sign documents like this:

"Joel Frenette, MGR of WebDesigns99.com, LLC "

That way, it can never be said that you were acting as you, you were acting as the LLC.

KEEP RECEIPTS:

You will want to keep receipts, PDF's copies, or the actual bills & invoices ... especially the ones that are NOT going through the new dedicated business bank account, so that you can enter them manually into QuickBooks as business expense.

I just use a folder in OneDrive for each year and pack all the receipts in it to give to the tax guy.

Specially, the "**Business Use of Home**" & "**Business Use of Car**" related expenses.

Like the mortgage statements, mortgage interest, car lease, car loan, insurance and repairs, car mileage report etc. This part is also why you want to use an actual Tax accountant at the year end to help instead of using the TurboTax service.

KEEP A JOURNAL or TRAVEL LOG:

You will want to keep a journal of your appointments and travel.

Keeping a daily or weekly log of the miles and trips will justify the car expenses for IRS audit.



IRS INFO:

You don't need to be tax experts, but it helps to know ahead of time what can be deducted and what cannot. So, you save the right receipts for the right reasons. The more you know, the more you save or get back at the end of the year. There is a difference between tax planning and tax filing. Plan ahead and save money.

Travel can be for personal AND for business purposes, specially if you are going to a convention, doing interviews, dropping off resumes or doing training WHILE on the vacation. Just saying.

You can **hire your children** to help with the home office and pay them up \$10,400 per year in 2020. This is a WIN/WIN, you get the deduction, and they can earn that much tax-free.

Also, when using your CAR as a business expense, the IRS loves a MILEAGE BOOK or a DAILY PLANNER but , you can use Apps or QBO add-ons for mileage tracking via GPS.

We find much better for us to simply fill in a daily planner, or weekly planner manually, on paper, and keep it with our records, as back up.

Also, **leasing new computer gear**, buying better **highspeed Internet**, **better cell phones**, **new software**, etc. can be deductions.

Here are some specific IRS info pages. No need to memorize, it's just so you can see the actual expenses that you can deduct.

<https://www.irs.gov/businesses/small-businesses-self-employed/deducting-business-expenses>

<https://www.irs.gov/businesses/small-businesses-self-employed/home-office-deduction>

<https://www.irs.gov/pub/irs-pdf/p587.pdf>

<https://www.irs.gov/publications/p463>

CREDIT:

NOTE: Takes 2 years in business to qualify for business loans, but if you default on LLC loans, YOU MAY NOT be responsible for repayment. Yup, you heard me, right, LLC gets loans, it defaults, LLC closes. You do not repay. Let that sink in.

SBA:

Very cheap loans see here: <https://www.sba.gov/funding-programs/loans>
Sometimes, FREE grants as well.

Open D.U.N.S. Account#

It is free to get a number, but they try and sell you their credit service.

<https://www.dnb.com/duns-number/get-a-duns.html>

and get Credit Signal for Free

<https://businesscredit.dnb.com/product/credit-signal/>

Credit Builder Plus is 140\$ a month

<https://businesscredit.dnb.com/product/credit-builder-plus/>



CREDIT REPORTING AGENCIES:

- Duns & Bradstreet (Paydex Score)
- CREDITSAFE
- Experian (Experian Intelliscore Plus)
- Equifax (Business Credit Risk Score)
- FICO
- TransUnion

<https://app.nav.com/> helps you monitor all these reports as they get created

Credit Reporting Apps:

For personal:

Experian has a free Booster

<https://www.experian.com/consumer-products/score-boost.html>

Where you link your bank, and it searches for utility bills and reports the payments for you

<https://www.self.inc/>

Also has a service where you make a payment plan, and they report the payments.

For business:

Duns has a service called – Credit Builder at \$149.00 a month

<https://businesscredit.dnb.com/product/credit-builder-plus/>

eCredable is a service that reports your business payments

TRADELINES:

Quickest way to get credit on file is to get Net30 accounts with vendors and pay them on time

Dell Financial Services DFS

<https://www.dell.com/learn/us/en/04/dell-business-credit>

AMAZON Corporate - Credit Application – Telephone: 1-866-712-3174

<http://www.amazon.com/gp/cobrandcard/marketing.html?pr=ibprox&inc=def&place=url>

Financed by Synchrony Bank

BEST BUY Business Advantage Account - Telephone 1-800-373-3050

<http://www.bestbuybusiness.com/bbfb/en/US/adirect/bestbuy?cmd=BBFBCreditInfo>

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WALMART BUSINESS CREDIT by Financed by Synchrony Bank 1-877-294-7548

To apply for a Walmart Corporate Account, follow these simple steps:

Gift Cards <https://www.walmart.com/cp/Gift-Cards/96894>

Select Corporate Gift Card Program

Select Sign-up Now

Follow the on-screen directions to submit your application

Once your application is submitted, we will review your information and reply within two business days. We reserve the right to accept or reject applications in our sole discretion.

HOME DEPOT COMMERCIAL ACCOUNTS (800) 685-6691

[https://citiretailservices.citibankonline.com/CRS/acq/launch/index.action?](https://citiretailservices.citibankonline.com/CRS/acq/launch/index.action?app=UNSOL&siteId=PLCR_HOMEDEPOT&sc=45014&cmp=A~C~S~A~Z~Z~ZZZZ~AI~HD~AI)

[app=UNSOL&siteId=PLCR_HOMEDEPOT&sc=45014&cmp=A~C~S~A~Z~Z~ZZZZ~AI~HD~AI](https://citiretailservices.citibankonline.com/CRS/acq/launch/index.action?app=UNSOL&siteId=PLCR_HOMEDEPOT&sc=45014&cmp=A~C~S~A~Z~Z~ZZZZ~AI~HD~AI)

Requirements: Paydex: YES (75+) Paydex 3 years in business. Revolving account and/or net 30.

Apply on-line. Reports to D&B and Experian. – Financed by Citibank

LOWES Business Account Application (800) 445-6937

Requirements: Paydex: YES (75+)

Financed By Synchrony Bank

[https://businessapply.syf.com/cmlapply/ca/lowesbrc/business-info?](https://businessapply.syf.com/cmlapply/ca/lowesbrc/business-info?int_cmp=BusinessCreditCenter:A3:Credit:Corp:apply_now_lba)

[int_cmp=BusinessCreditCenter:A3:Credit:Corp:apply_now_lba](https://businessapply.syf.com/cmlapply/ca/lowesbrc/business-info?int_cmp=BusinessCreditCenter:A3:Credit:Corp:apply_now_lba)

UPS CORPORATE RETAIL SOLUTIONS

<https://www.theupsstore.com/corporate-services/corporate-retail-solutions/corporate-card>

Leverage the convenience of more than 4,600 retail The UPS Store locations to help your business run more smoothly.

Shell Fleet Card by Citigroup - Citibank

To apply for an account with only Business liability, you may not submit an online application and must apply over the phone by calling 1-888 987-4355, Monday-Friday 9:00am to 7:00pm ET or by downloading a business liability application.

Chevron and Texaco Business Card 1-888-243-8358

To apply download the application:

<https://www.chevrontexacobusinesscard.com/business-card/>

and fax back to 1-866-435-3795 (Fax Number)

The Chevron and Texaco Business Card is issued by FLEETCORE

JOEL'S LLC CRASH COURSE

Sunoco Corporate Fleet Card – Financed by Citigroup (Citibank) 1-800-935-3387

With the Sunoco Corporate Card, you'll pay no monthly, annual or per-card fees as of 1/3/2014
To Apply Online:

https://citiretailerservices.citibankonline.com/CRS/acq/launch/index.action?app=UNSOL&sc=20086&siteId=PLOF_SUNOCO&langId=EN&mc=SNX9#

Exxon / Mobile – Citibank

You are eligible to apply for an account with only Business liability if you are any one of the following: Corporation with more than \$1 million annual sales and in business for at least 3 years, Government entity or Non-Profit Organization.

<https://www.exxonmobilfleetcards.com/business-pro-program/>

SPEEDWAY SUPER AMERICA FLEET GAS CARD 1-800-428-4016

Requirements: Net 30-full balance, at least 1 year in business.

<https://www.fuelexpress.net/acceptance/superamerica/>

PHILLIPS 66 CONOCO 76 COMMERCIAL CARD

3 Years in Business Minimum or Personal Guarantee

Financed by Synchrony Bank

PHILLIPS 66 FLEET CARD To apply, please call 1-877-685-0330

Duns report pulled, 3 trades, 1 bank trade needed. Reports to D&B.

<https://www.onlinecreditcenter2.com/EApplyCommercial/load.do?cHash=140526283014>

What is an LLC (Limited Liability Company)?

[Overview](#) [FAQs](#)

What is an LLC?

Simply put, an LLC is the least complex business structure. Unlike an s corp or c corp, the structure of an LLC is flexible. Starting an LLC also gives you the perk of pass-through taxes, limited liability (obviously), and legal protection for your personal assets. Plus the added benefit of looking more legit than the other guys.

Let's get to it.

Create your corporation or limited liability company today.

get started