









OUR MISSION IS TO IMPACT THE FINANCIAL HEALTH OF OVER 850,000 CHILDCARE BUSINESSES IN THE US BY STRATEGICALLY SHOWING THEM HOW TAXES, BOOKKEEPING & PAYROLL CAN BE USED AS A TOOL TO GROW THEIR BUSINESS. DAYCARE OWNERS SUFFER FROM AN INHERENT NUMBER OF CHALLENGES ACCOUNTING SHOULD NOT BE ONE

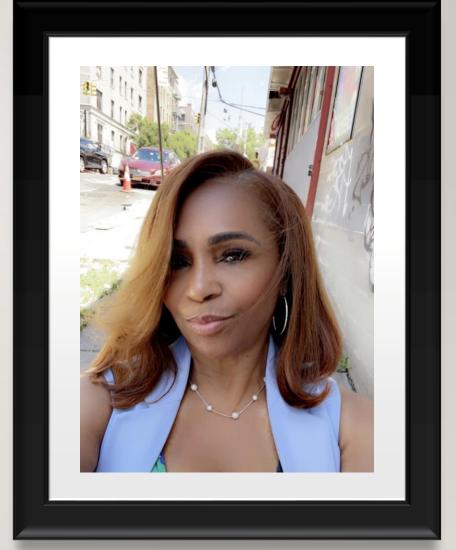


SIMPLE TAX STRATEGIES THAT WILL LOWER YOUR
TAX LIABILITY



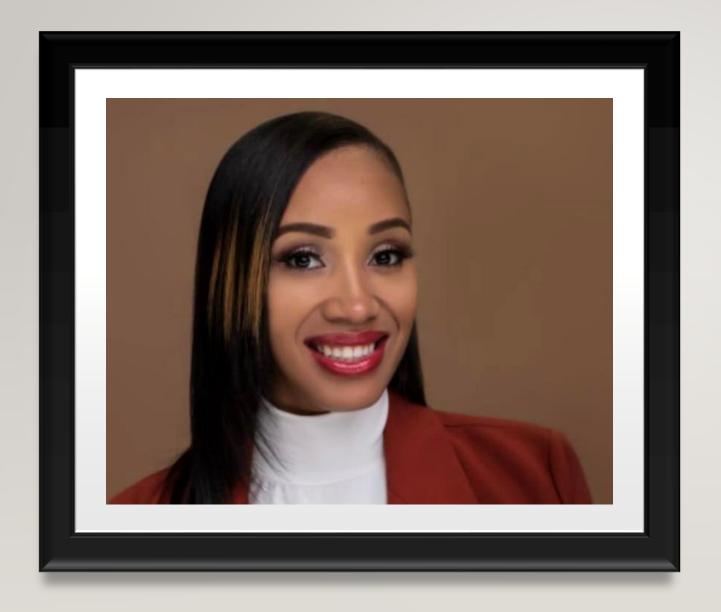
TESTIMONIAL

• David was recommended to me about 8yrs ago because I received a worker's comp penalty audit and was frantic because I was paying my employees on a 1099. He first calmed me down, then he explained what we need to do, and I have to say that he advised me correctly, he was able to get my \$15,000 penalty waived and put me on the right path. Love you David! ~Doris Perez, Doris Daycare









TESTIMONIAL

• Let me start by saying David is amazing!!! I started working with David with my business & personal taxes 5 yrs ago and he has saved me THOUSANDS!! I highly recommend David for tax services. He knows his stuff real well and will always educate you throughout the process. I would not change him for the world! ~Nekea Whitson, Brainiac Babies LLC





CHOOSING THE PROPER BUSINESS ENTITY IS CRITICAL

The consequences of choosing the wrong type of entity can be devastating to your daycare business.

Too many times we see Daycare Owners paying a large amount of tax which could have been avoided like Vicky.

Roughly 75% of the Daycare owners whom we service had theses same issues of paying too much tax due to their lack of knowledge of the tax code.

Finally, you will learn how to AVOID paying tax.

What Are the Four Main Types of Business Entities?

- Sole Proprietorship
- Subchapter S Corporation (aka S-Corp)
- The C Corporation (aka Ccorp)
- Partnership
- Over 10yrs too many childcare owners are paying too much tax, frustrated w/bookkeeping & payroll.



YOUR DAYCARE ACCOUNTINGPRO

- My name is David
 Encarnacion, and for the
 last decade I have helped
 hundreds of Childcare
 owners just like you to
 achieve peace of mind by
 providing strategies that
 lower their tax liability.
- 20-30 min pay less tax







LIMITED LIABILITY COMPANY (LLC)

- An LLC is a business structure allowed by State Statute (check w/State)
- Owners of an LLC are called members. Most States do not restrict ownership
- An LLC is considered a "disregarded entity"
- LLCs provide their owners with limited liability protection
- Rules & Regulations are fewer for LLCs
- There are 3 states in which LLCs are very expensive Arizona, Nebraska & NY

- Pass-through entity
- Profit/loss taxed as personal income
- Pay self-employment tax
- SS4 / CP575
- Option to be treated as an S-Corp
- Melissa \$22,559
- File 1040 Schedule C or 1120S or 1065
- Everyone take deductions, I say there are more important things to look at.





TAX ID LETTER SS4 / CP575

IRS DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE CINCINNATI OH 45999-0023



Date of this notice: 01-28-2020 Employer Identification Number:

Number of this notice: CP 575 B

For assistance you may call us at:

IF YOU WRITE, ATTACH THE STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you documents, even if you have no employees. Please keep this notice in your permanent

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065

(03/15/2021

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, Accounting Periods and Methods.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832. Entity Classification Election. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, Entity Classification Election, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, Election by a Small Business Corporation. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TOD 1-800-829-4059) or visit your local IRS Office.

SCHEDULE 2 (Form 1040)

Department of the Treasury Internal Revenue Service

Additional Taxes

► Attach to Form 1040, 1040-SR, or 1040-NR. ► Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074
2021
Attachment

Name(s) shown on Form 1040, 1040-SR, or 1040-NR Your social security number Part I Tax Excess advance premium tax credit repayment. Attach Form 8962 Add lines 1 and 2. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 17 . . Part II Other Taxes Social security and Medicare tax on unreported tip income. Uncollected social security and Medicare tax on wages. Attach Total additional social security and Medicare tax. Add lines 5 and 6 Additional tax on IRAs or other tax-favored accounts. Attach Form 5329 if required Repayment of first-time homebuyer credit. Attach Form 5405 if required Uncollected social security and Medicare or RRTA tax on tips or group-term life Interest on tax due on installment income from the sale of certain residential lots 15 Interest on the deferred tax on gain from certain installment sales with a sales price

1040 Schedule 2 line 4

rm 1040 (2021)		JANE DOE	111-22-3333	Page
	16	Tax (see instructions). Check if any from Form(s): 1 8814 2 4972 3	(16)	7,348
	17	Amount from Schedule 2, line 3		
	18	Add lines 16 and 17		7,348
	19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812		
	20	Amount from Schedule 3, line 8	CONTRACTOR OF THE PARTY OF THE	
	21	Add lines 19 and 20		
	22	Subtract line 21 from line 18. If zero or less, enter -0-		7,348
	23	Other taxes, including self-employment tax, from Schedule 2, line 21		22,559
	24	Add lines 22 and 23. This is your total tax		29,907
	25	Federal income tax withheld from:		
	а	Form(s) W-2		
	b	Form(s) 1099	1,800	
	c	Other forms (see instructions)		
	d	Add lines 25a through 25c		1,800
If you have a	26	2021 estimated tax payments and amount applied from 2020 return	26	
ualifying child,	27a	Earned income credit (EIC)		
attach Sch. EIC.		Check here if you were born after January 1, 1998, and before		
		January 2, 2004, and you satisfy all the other requirements for		
		taxpayers who are at least age 18, to claim the EIC. See instructions		
	b	Nontaxable combat pay election		
	c	Prior year (2019) earned income		
	28	Refundable child tax credit or additional child tax credit from Schedule 8812		
	29	American opportunity credit from Form 8863, line 8		
	30	Recovery rebate credit. See instructions		
	31	Amount from Schedule 3, line 15		
	32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	
	33	Add lines 25d, 26, and 32. These are your total payments	> 33	1,800
Refund Direct deposit? See instructions.	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	
	35a	Amount of line 34 you want refunded to you. If Form 8888 is attached, check here	35a	
	▶b	Routing number C Type: Checking	Savings	
	▶d	Account number		

1040 page 2 line 23

HOW MUCH TAX WILL I PAY FILING AS A SOLE PROPRIETOR?

- Self-employment tax is 15.3% of net profits (in which the employer pays 7.65% and the employee pays 7.65%)
- EXAMPLE: If you are filing your taxes as a Sole Proprietor and you have a net profit of \$100,000, your self-employment tax will be \$15,300.









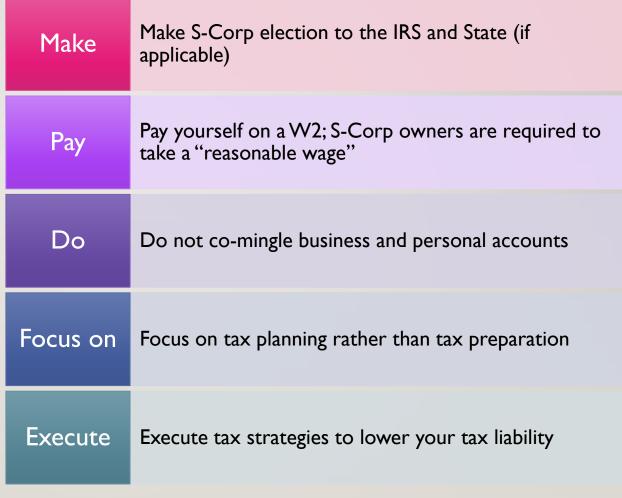
SUBCHAPTER S-CORP

- S-Corps are corporations/LLC that elect to pass through income
- Must be a Domestic Corporation
- Liability of S-Corp is separate from owners
- Liabilities are limited
- Must submit Form 2553 (State)
- Late election relief / file timely

- Does not pay corporate income tax
- Qualifies for Qualified Business Income
 Deduction (QBDI); owner gets a 20% deduction
 on personal tax return
- Pass-through entity
- Avoid double taxation on corporate income
- Owners must take a "reasonable wage";
 everyday put yourself at risk, 87000 auditors
- File 1120S by March 15th



SOLUTIONS ON AVOIDING SELF-EMPLOYMENT TAX







WHAT IS YOUR JOB AS A CHILDCARE OWNER?

- Manage the business 17000 closings
- Keep up with ECE education
- Provide a safe & nurturing environment for the kids
- Manage parents' expectations and concerns
- Increase revenue 20hrs 1040
- Need someone to help avoid pitfalls, give peace of mind







SPECIFIC TAX STRATEGIES TO LOWER YOUR TAX LIABILITY

- SEP IRA, SOLO 401K, Simple IRA
- Pay your spouse & kids (12yrs) / ROTH 401K
- Plan ahead / Tax Planning
- Use Healthcare Insurance strategy
- Use Augusta Rule / Rent from spouse
- Prepay certain subscriptions/vendors in advance 12/31
- Take advantage of 100% bonus depreciation; exp 12/31/22
- Schedule a strategy session with your accountant in November
- MOST IMPORTANTLY: BE COACHABLE
- Common question? Can you HELP







SCHEDULE CONSULTATION

20-MINUTE CALL

FREE

- ✓ Review your current process & procedures
- ✓ Share tax strategies you can implement now
- ✓ Receive eBook with additional tax strategies
- ✓ Share screen of tax projection for 2022

EXCLUSIVELY FOR ICARE SUBSCRIBERS

Everyone on this Webinar or a iCare Subscriber is entitled to

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Business Silver Business Gold Business Platinum Business Diamond

- Work with FCC, Centers \$50K-\$1mil
- Next step schedule 20-min call
- What offer means for you
- Position of power
- Picture a day
- Whether solopreneur or center this offer will help transform business in any economy
- YOU DESERVE PEACE OF MIND

OFFERS \$1000 VALUE

https://daycareaccountingpro.com/appointment



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