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Name: _____

Tax Year: 20____

Address: _____

Telephone: (____) _____ Cell Phone: (____) _____ Fax Number: (____) _____

Email: _____ Best Time To Call: _____

Total Sales (including taxes): \$ _____ Commissions: \$ _____ Prizes Earned: \$ _____

Inventory	
Beginning	
Section 1 Purchases	
Personal Use Products	
Ending Inventory	
Expenses	
Advertising (PCP, etc)	
Commissions & Fees Paid	
Insurance On Products Purchased	
Interest On Business Loans and/or Credit Cards Purchases	
Legal & Professional Fees Paid	
Bookkeeping/Tax Preparation	
Office Supplies	
Marketing Supplies (Pens, etc)	
Sales Tax Paid on Purchases (from packing slips)	
Postage	
Dues and Publications	
Meals and Food	
MK Website Fee	
ProPay Fees	
Dry Cleaning	
Workshops & Seminars	
Freight Expense (from packing slips)	
Section 2 Purchases (from packing slips)	
Misc	
Vehicle Expenses (Year & Model)	
Total Vehicle Miles	
Total Mary Kay Miles	
Lease Payments (Annual)	
Tags, Registrations, etc.	
Insurance	
Oil, gas, repairs, etc	
Interest on Vehicle Loan	

In Home Office Expenses	
Utilities	
Gas	
Electric	
Water	
Sewage	
Garbage	
Other	
Communications	
Telephone	
Cell Phone	
Voice Mail	
Internet Service	
Insurance	
Renters	
Homeowners	
Liability	
Mortgage (if applicable)	
Real Estate Taxes	
Mortgage Interest	
Repairs & Maintenance	
Total Square Footage of Home	
Total Square Footage of Home Used for Mary Kay Business	
Purchase Price of Home	
Purchase Date of Home	

Date Purchased	Purchase Price	Asset Description

Income:

- Income includes cash, awards (car, trips, jewelry, etc) and commissions.
- Documents showing income include 1099 commission statements, expense reimbursements, etc.
- It is advisable to open a separate checking account and credit card for your MK business. It simplifies record keeping and it makes your records easier to reconcile and audit.

Inventory:

- **Keep receipts for all inventory purchases**
- Record inventory purchases at cost, not retail. A physical count of inventory should be taken on December 31st to ensure an accurate accounting.
- Separate inventory into the following categories
 - Items purchased for personal use
 - Items purchased and used as demo
 - Items purchased and used as promotional items (auction baskets, etc.)
 - Spoiled, damaged and expired items that cannot be sold or sent back for replacement. Document how the item became unusable. It may be prudent to take and keep photos of such items for your records.

Expenses:

- **Keep receipts to document all expenses**
- **Business meals & Entertainment**
 - Please note that you need to document the business purpose, as well as attendees, location, date, and cost. Legitimate expenses are 50% deductible.
- **Business Mileage**
 - There are two methods you can use to claim mileage – standard or actual expenses. Both methods require you to keep detailed records and to document your odometer reading at the beginning of the year.
 - Standard Mileage – This is the easier and simpler method to use. Enter your miles driven on a mileage tracker form (can download from RCS site).
 - Actual Expenses – Consider this method if you use your car exclusively for MK business or you use your car a lot for MK business. **Please note that if you won a MK car, this is the only method you can use.**
 - If your vehicle is used for both personal & business, you need to determine the percentage of use for both. Keeping track of your MK miles is probably the easiest way to do this.
 - Keep receipts for expenses such as: repairs, gas, oil, etc.
- **Telephone, Internet, and Other Communications**
 - Separate Business Line – Keep copies of your monthly bills
 - Home Phone – The cost of basic service is **NOT** deductible. However, the cost of options such as 3-way calling may be deductible. Keep a log of all calls made and the

type of call (3-way call, long distance, etc.) for the month to determine the deductible percentage for your MK business.

- Cell Phone (Personal Use) – Your tax deduction is equal to the percentage of business use each month. Keep a log of all calls made to determine the deductible percentage for your MK business.

- **Assets Purchased**

- Assets include computers, printers, etc that you need to conduct your MK business.
- KEEP receipts for all assets purchased. The receipt should include a description of the asset purchased, the date purchased, the amount paid, and from whom you purchased.

- **Office In Home**

- **Your MK business MUST have a profit motive.** You cannot claim a home office deduction for hobbies.
- You are entitled to deduct a portion of the expenses of owning or renting your home if you **regularly** and **exclusively** use a portion of the home for your MK business. Measure the space used for business and divide by the total square footage of your home to determine the deduction percentage.
- Keep copies of bills for utilities, insurance, repair, etc. If you own the home, keep copies of your mortgage interest and property taxes.
- Check with your insurance carrier to determine if you need to add a rider to your homeowner's policy to protect you and your MK business from loss and/or lawsuits. The cost of such insurance is deductible.

This worksheet is for informational purposes only. It does not include all the deductions that you may be entitled to deduct on your tax form.

If you have any questions, please call 724-676-5899 or email jdr@rcsbiz.com