

TRUCKING ACCOUNTING and TAX SERVICES

**WE KNOW TRUCKING AND
WE'RE HERE TO HELP!**



Turn to the Accounting Professionals who KNOW trucking and specialize in independent contractors and owner/operators.

Join hundreds of your fellow owner/operators who have chosen Contractor Business Services, LLC and Jack McCole, CPA to prepare their business and personal income tax returns.

Tax Services:

- Federal, State and Local
- Individual income tax returns, all states
- Business income tax returns, all states
- Annual Reports and Property Tax Returns
- "C" and "S" Corporations
- Limited Liability Companies (LLC)



Accounting and Business Services:

- Accounting organizer file
- Monthly, quarterly and annual tax statements
- Projected annual tax planning statements
- Quarterly estimated tax calculations
- Quarterly payroll and IFTA tax returns
- Withholding tax calculations
- Year-end W-2 and 1099 filings
- Electronic Tax Payments (EFTPS)

Weekly Fees: LLCs \$15, INCs \$20 – for accounting services and all required year-end business and individual tax returns.

Call Contractor Business Services at (800) 259-0693 (Habla español)

**Contractor Business Services, LLC and
John A. (Jack) McCole, CPA
202 E Woodlawn Road, Suite 106
Charlotte, NC 28217**

**CONTRACTOR BUSINESS SERVICES, LLC
JOHN A. (JACK) McCOLE, CPA
MARCUS A. ARMSTRONG, CPA (California)**

**PROFESSIONAL AND ACCOUNTING SERVICES
FOR SMALL BUSINESS AND SELF-EMPLOYED**

Start-up of Business

Assist in selection of appropriate Accounting system
Prepare tax documents for Federal and State filing
Obtain Federal Tax Identification Number and state tax numbers
File IRS Form 2553 for Subchapter "S" Corporations
Fee: \$250, plus state filing fee (filing fees vary by state)

Accounting and Tax Services

Monthly

Provide accounting kit with checklists for deductions
Consult on tax strategies with each independent contractor
Obtain and reconcile settlement sheets
Prepare business tax planning spreadsheets
Prepare "annualized" income and tax estimates

Quarterly

Recommend estimated income tax payment amounts
Prepare federal and state estimated tax payment vouchers

Year-end

Prepare annual business tax planning statement
Provide annual income tax organizer
Prepare business and personal income tax returns:
Federal and State, 1120s or 1065, if required
Federal Form 1040, schedules A, B, C and SE
Corresponding forms for any one State
E-file all tax returns (unless requested otherwise)
Advise on State Annual Reports

Fee: \$15.00 per week (based on full year)**

Optional services

Business planning and budgeting, Profitability analysis
**Payroll tax reporting for Sub "S" Corporations (\$5.00 per week) or
Complete payroll processing with direct deposit (\$40.00 per payroll period)
USDOT numbers, Motor Carrier Operating Authority, IFTA Taxes
Simplified Employee Pension ("SEP") Plan set-up
Tax filings for multiple businesses or multiple states**

**TO GET MORE INFORMATION OR MAKE ARRANGEMENTS FOR SERVICES, CALL:
Contractor Business Services, LLC at (800) 259-0693 or Jack McCole, CPA at (704) 534-7676**

Fax completed forms to us at (866) 868-9681 - habla español

You can reach Jack McCole, CPA, 7 days per week until 10:00pm eastern time at (704) 534-7676

** If starting business after January, 31, and if annual income tax service is requested, there will be an \$25 adjustment for each completed month prior to the start of the \$15.00 weekly billing. This will be included in start-up costs and is necessary to have the income tax return preparation portion of our accounting and tax service fee fully paid by year-end.

BUSINESS ENTITIES – Introduction to tax treatment

The three business entity types that follow can each offer *limited liability protection* for the owner(s), if properly maintained. The features listed are by no means a complete list of features and benefits. While there are other business entity types available, our experience is that smaller trucking companies and independent contractors choose one of the following types. You should consult with an attorney licensed in your state to help make your choice and file the necessary legal forms. All business will most likely be required to obtain a business license in their home county (and maybe other counties where they do business). This is usually done by the business owner locally.

TYPES OF BUSINESS ENTITIES**General Business Corporation (“C” corporation)**

This is the most common business structure for larger businesses. The “C” corporation files a Federal form 1120 and similar state form and pays its own income taxes. Any distributions to stockholders would be taxed as dividends. In effect, profits are taxed at the corporation level and then tax again as dividends to the stockholders. This is the famed “double taxation” that is one of the major tax considerations of the “C” corporation. Our attorneys advise that a “C” corporation usually must maintain by-laws, elect officers and a board of directors and must document a minimum of one annual meeting to maintain its corporate status.

Subchapter S Corporation (“S” corporation or “Small Business Corporation”)

This is formed first just like a “C” corporation and then the stockholders “elect” to be treated as a small business corporation in accordance with Subchapter S of the Internal Revenue Code. Our attorneys advise that, in many states, “S” corporations must usually maintain by-laws, elect officers and a board of directors and must document a minimum of one annual meeting to maintain its corporate status. In certain States, you can incorporate as a “Statutory Close” corporation that has less stringent corporate record rules. The “S” corporation files a Federal Form 1120s and similar state form and usually does not pay income taxes. Instead, the taxable income flows through to the stockholders individual tax returns, where it is taxed at the individual level only.

CORPORATIONS MAY HAVE TO OBTAIN THEIR OWN WORKERS COMP. INSURANCE! SEE BELOW!

Limited Liability Company (“LLC”)

This is a business entity that can be taxed like a partnership, like a corporation or, in the case of a *single member, like a sole proprietorship*. The major advantage of an LLC is ease of operation and tax set-up. Since the LLC can be taxed as a sole proprietorship, it can file a schedule C on the individual’s 1040 tax return, thereby eliminating a separate business tax return. The LLC does not maintain by-laws, elect officers or a board of directors and does not need to conduct annual meetings. Instead, a written LLC agreement, provided by an attorney, is the only document ever needed.

TAX CONSIDERATIONS

Both corporations and limited liability companies must pay required minimum taxes or fees to the Secretary of State to remain in existence each year. There are minimum taxes and/or fees in most state and they vary by state and type of entity. In some states these fees can be very high (\$800 in California and \$500 in Massachusetts, for example) and in some states there are capital stock taxes or minimum taxes.

The “S” corporation owner/officer is likely to be taxed as a salaried employee. That employee must pay Social Security and Medicare taxes through payroll deduction with a matching payment from the corporation. This could be an advantage, since the employee salary could possibly be less than the business’ “profit” and could result in some savings of Social Security taxes. This is a very well known “tax dodge” and is looked at very closely by the IRS, so **call Jack McCole or consult with your tax advisor** before you select Sub “S” for solely this reason. Also, you must keep in mind, that the eventual Social Security retirement benefit would be lower with this strategy and could completely offset the historical tax savings.

Full-time helpers (and many part-time) should most likely be set-up as **EMPLOYEES**. The IRS is auditing many tax returns that have deductions for Contract Labor and making the taxpayers prove that helpers are truly independent – most are not truly independent, certainly if they have no other sources of income. It is **YOUR RESPONSIBILITY** to make sure that your helper is properly classified as an employee or independent contractor. It does not matter how the helper wants to be paid and taxed, it is up to you!!!

A word of caution – penalties for late payment of employment taxes are VERY high – about 10% per month!

WARNING: IN MANY STATES, CORPORATIONS (WITH ONE OR MORE EMPLOYEES, INCLUDING THE OWNER) MAY BE REQUIRED TO OBTAIN THEIR OWN WORKERS COMPENSATION INSURANCE! YOU MUST DETERMINE THE INSURANCE REQUIREMENTS OF YOUR STATE OF INCORPORATION BY CONSULTING WITH AN INSURANCE BROKER.

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Personal Information:

NAME (first, middle, last): _____

Physical street address: _____

City: _____ County: _____ ST _____ ZIP _____

Home telephone: _____ Business (day) telephone: _____

Social security Number: _____ Date of Birth: _____

Filing Status: _____ Dependents: _____

Business information:

Entity Type: "C" Corporation ___ "S" Corporation ___ Limited Liability Company ___ Other ___

Business name: _____

Registered agent information:

All states require that an individual be appointed as the registered agent so that the state has a "registered" person and place to send any state notices or forms. There are many companies that charge you a fee (\$100 or more per year) to be the registered agent for your company. *You can serve as the registered agent for your company!* You'll save that fee! We will assist you to interpret any notices that you might receive from the State. If you wish to name some other individual as your registered agent, enter the information below:

Registered Agent information:

NAME (first, middle, last): _____

Physical street address: _____

City: _____ County: _____ ST _____ ZIP _____

Home telephone: _____ Business (day) telephone: _____

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Stockholder/Owner, Officer and Director or Member Information:

Corporations require at least one Stockholder, one Director and one Officer. Limited Liability Companies require at least one Member/Owner. One person can serve as all of the officers.

If you are serving as the **SINGLE** stockholder, officer, director or member/owner, **check here** _____ and you do not need to complete the rest of this page.

If you have more than one stockholder, director or member/owner complete the information below: Officer titles are: President, Vice president, Secretary and Treasurer. All office titles should be represented.

Officer, director or member information:

NAME (first, middle, last): _____

Physical street address: _____

City: _____ **County:** _____ **ST** _____ **ZIP** _____

Officer Titles: _____ **Director (Y or N)** _____ **Member (Y or N)** _____

Stockholder/owner (Y or N) _____ **If Yes, then indicate percentage ownership:** _____

Social security number: _____ **Business (day) telephone:** _____

Officer, director or member information:

NAME (first, middle, last): _____

Physical street address: _____

City: _____ **County:** _____ **ST** _____ **ZIP** _____

Officer Titles: _____ **Director (Y or N)** _____ **Member (Y or N)** _____

Stockholder/owner (Y or N) _____ **If Yes, then indicate percentage ownership:** _____

Social security number: _____ **Business (day) telephone:** _____

ATTACH ADDITIONAL COPIES OF THIS PAGE IF THERE ARE MORE THAN TWO STOCKHOLDERS, DIRECTORS, OFFICERS OR MEMBER/OWNERS.

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Additional information: Date business started: _____

Tax year-end date will be December 31, unless noted otherwise here: _____

Any employees (SEE PAGE 2!!!) (Y or N) _____ **if Yes, then enter date wages first paid:** _____

Have you ever had a business with a tax identification number before (Y of N): _____

If Yes, enter name of business: _____ **Tax ID #:** _____

Services authorized and fees:

Initial tax organization, federal and State including:	Fee: \$250
State tax numbers for withholding and sales and use tax	
Federal tax identification Number filing (Form SS-4)	TO ACCEPT SERVICE,
Federal and State "S" corporation election (Form 2553)	INITIAL HERE: _____

Accounting and tax service, including:	Fee: LLCs \$15.00 per week
Accounting and Tax Organizer file	INCs \$20.00 per week
Monthly input from settlement sheets	deducted from settlement
Monthly input of other expenses	
Monthly, quarterly and year-end tax reports	TO ACCEPT SERVICE,
All annual Federal, State and Local tax returns	INITIAL HERE: _____

Motor Carrier Authority (takes 4 to 6 weeks to obtain MC authority):	Fee: \$200, plus filing fees to be
US DOT Number (no fee)	placed on credit card
MC Operating Authority (Interstate Common Carrier - \$300 filing fee)	
Interstate Process Agents ("BOC-3" - \$30 filing fee)	TO ACCEPT SERVICE,
Unified Carrier Registration ("UCR" - \$40 filing fee per vehicle)	INITIAL HERE: _____
IFTA stickers (small fee varies by state), IRP registration assistance, referral to Drug Testing Program	

(We can not provide this ONLINE service without your credit card information – if you wish, you can call us with the credit card information.)

CREDIT CARD INFO: CARD #: _____ **EXP DATE:** _____ **CVV#:** _____

NAME ON CARD: _____ **ZIP CODE:** _____ **CARD TYPE** _____

Visa, MC, or Amex

AUTHORIZED SIGNATURE: _____

Acknowledgement and authorization:

I acknowledge I have read pages 1 and 2 and that the information contained on pages 3, 4 and 5 is complete and accurate.
 I acknowledge that no documents will be prepared or filed until the fees are paid.
 I understand that once the tax organization process is started, there will be no refunds of service fees and that if the process is stopped before the State tax documents are mailed, State fees only may be refunded.
By signing this document, I authorize John A. McCole, CPA or Marcus A. Armstrong, CPA to be my designated representative for the purpose of obtaining an Employer Identification Number ("TIN" or "EIN") and any required state or local tax withholding and tax account numbers.

Contractor Signature _____ Date _____

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