

xendoo

How to pay yourself if you are...

WEBINAR



How to pay yourself if you are...

Sole Proprietor

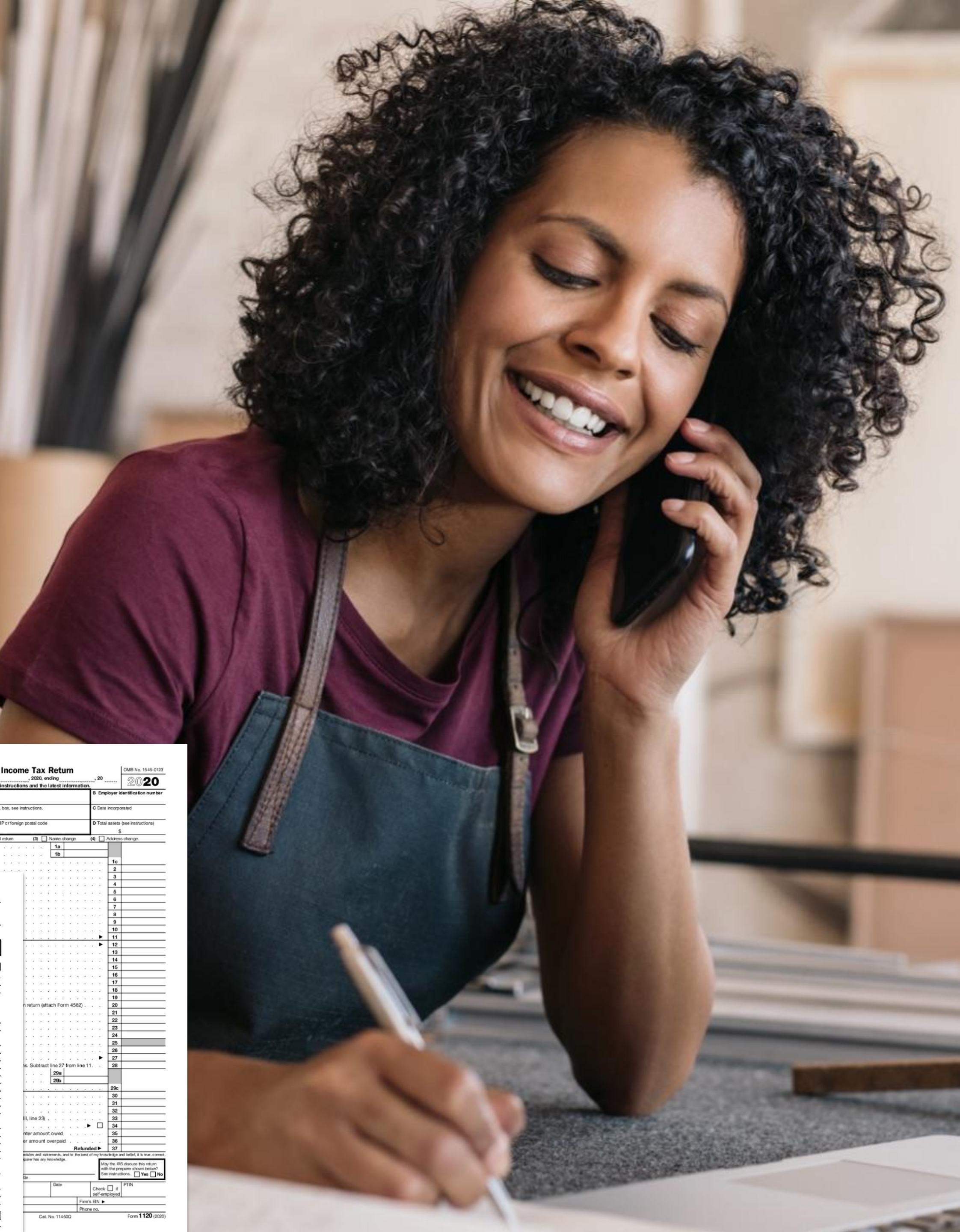
Partnership

S Corporation

C Corporation

Sole Proprietor

- Owners:
Pay = net income
- Taxes:
IRS Form 1040, Schedule C



1120 U.S. Corporation Income Tax Return
For calendar year 2020 or tax year beginning 2020, ending 2020
OMB No. 1545-0023

Go to www.irs.gov/Form1120 for instructions and the latest information.

A Check if:
1a Consolidated return (attach Form 990) ☐ **TYPE**
OR
2 Person holding or attaching Form 990 ☐ **PRINT**
3 Person service company (see instructions) ☐

4 Schedule M-1 (attach) ☐ **E** Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

1a Gross receipts or sales **1b** Returns and allowances
c Balance. Subtract line 1b from line 1a
2 Cost of goods sold (attach Form 1125-A)

1c **2** **3** **4** **5** **6** **7** **8** **9** **10** **11** **12** **13** **14** **15** **16** **17** **18** **19** **20** **21** **22** **23** **24** **25** **26** **27** **28** **29** **30** **31** **32** **33** **34** **35** **36** **37** **38** **39** **40** **41** **42** **43** **44** **45** **46** **47** **48** **49** **50** **51** **52** **53** **54** **55** **56** **57** **58** **59** **60** **61** **62** **63** **64** **65** **66** **67** **68** **69** **70** **71** **72** **73** **74** **75** **76** **77** **78** **79** **80** **81** **82** **83** **84** **85** **86** **87** **88** **89** **90** **91** **92** **93** **94** **95** **96** **97** **98** **99** **00**

SCHEDULE C Profit or Loss From Business
(Form 1040) Sole Proprietorship
OMB No. 1545-0074
2020
Department of the Treasury Internal Revenue Service (98) **Go to www.irs.gov/ScheduleC for instructions and the latest information.** Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065, Schedule K-1 (see instructions).

A Principal business or profession, including product or service (see instructions) **B** Enter code from instructions **C** Business name. If no separate business name, leave blank. **D** Employer ID number (EIN) (see instructions) **E** Business address (including suite or room no.) City, town or post office, state, and ZIP code

F Accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) **G** Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses **H** If you started or acquired this business during 2020, check here **I** Did you make any payments in 2020 that would require you to file Form(s) 1099? (see instructions) **J** If "yes," did you or will you file required Form(s) 1099? **Part I Income**

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked **2** Returns and allowances **3** Subtract line 2 from line 1 **4** Cost of goods sold (from line 42) **5** Gross profit. Subtract line 4 from line 3 **6** Other income, including federal and state gasoline or fuel tax credit (see instructions) **7** Gross income. Add lines 5 and 6

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising **9** Car and truck expenses (see instructions) **10** Commissioners and fees **11** Contract labor (see instructions) **12** Depreciation **13** Depreciation and section 179 expense deduction (not included in Part II) (see instructions) **14** Employee benefit programs (other than on line 18) **15** Insurance (other than health) **16** Interest (see instructions) **17** Legal and professional services **18** Office expense (see instructions) **19** Pension and profit-sharing plans **20** Rent or lease (see instructions) **21** Repairs and maintenance **22** Supplies (not included in Part II) **23** Taxes and licenses **24** Travel **25** Utilities **26** Wages (less employment credits) **27** Other expenses (from line 48) **28** Total expenses before expenses for business use of home. Add lines 8 through 27 **29** Total expenses for business use of home. Add lines 28 and 30 **30** Net profit or loss. Subtract line 29 from line 7

Partnership

- Owners:
Take Draws from Profit
- Taxes:
Form 1065, Schedule C



1065 U.S. Return of Partnership Income
OMB No. 1545-0023
For calendar year 2020, or tax year beginning 2020, ending 2020
Go to www.irs.gov/Form1065 for instructions and the latest information.

A Principal business activity
B Principal product or service
C Business code number

D Employee identification number
E Date business started
F Total assets

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year.

SCHEDULE C Profit or Loss From Business
(Form 1040) OMB No. 1545-0074
Go to www.irs.gov/ScheduleC for instructions and the latest information.
Department of the Treasury Internal Revenue Service (98) Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

A Principal business or profession, including product or service (see instructions)
B Enter code from instructions
C Business name. If no separate business name, leave blank.
D Employer ID number (SEE INSTRUCTIONS)

E Business address (including suite or room no.)
City, town or post office, state, and ZIP code

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) _____
G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses. Yes No
H If you started or acquired this business during 2020, check here. Yes No
I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions. Yes No
J If "yes," did you or will you file required Form(s) 1099? Yes No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked. 1
2 Returns and allowances 2
3 Subtract line 2 from line 1 3
4 Cost of goods sold (from line 42) 4
5 Gross profit. Subtract line 4 from line 3 5
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) 6
7 Gross income. Add lines 5 and 6 7

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising 8
9 Car and truck expenses (see instructions) 9
10 Commissions and fees 10
11 Contract labor (see instructions) 11
12 Depreciation 12
13 Deduction and section 179 expense deduction (not included in Part III) (see instructions) 13
14 Employee benefit programs (other than on line 18) 14
15 Insurance (other than health) 15
16 Interest (see instructions): a Mortgage (paid to banks, etc.) 16a b Other 16b
17 Legal and professional services 17
18 Office expense (see instructions) 18
19 Pension and profit-sharing plans 19
20 Rent or lease (see instructions): a Vehicles, machinery, and equipment 20a b Other business property 20b
21 Repairs and maintenance 21
22 Supplies (not included in Part III) 22
23 Taxes and licenses 23
24 Travel and meals: a Travel 24a b Deductible meals (see instructions) 24b
25 Utilities 25
26 Wages (less employment credits) 26
27a Other expenses (from line 48) 27a b Reserved for future use 27b
28 Total expenses before expenses for business use of home. Add lines 8 through 27a 28
29 Tax-exempt profit or loss. Subtract line 28 from line 7 29

2020 Abstract
OMB No. 1545-0023
Form 1065 (2020)
Cat. No. 11390Z

1a 1b 1c 1d 1e 1f 1g 1h 1i 1j 1k 1l 1m 1n 1o 1p 1q 1r 1s 1t 1u 1v 1w 1x 1y 1z 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16a 16b 17 18 19 20 21 22 23 24 25 26 27 28 29 30

20 May the IRS check this return with the preparer's consent? Yes No
Date Date Check if self-employed Form 1099-NEC Form 1099-MISC Form 1099-DIV Form 1099-INT Form 1099-B Form 1099-C Form 1099-REC Form 1099-SP Form 1099-SS Form 1099-T Form 1099-TR Form 1099-VA Form 1099-VC Form 1099-VE Form 1099-VL Form 1099-VN Form 1099-VS Form 1099-VT Form 1099-VU Form 1099-VV Form 1099-VX Form 1099-VY Form 1099-VZ

S-Corp

- Owners:
 - 2 sources of income
 - Salary / Reasonable Compensation
 - Draw from “Profits”
- Taxes:
 - Form 1120S, Schedule K-1



651119

OMB No. 1545-0123

**Schedule K-1
(Form 1065)**

Department of the Treasury
Internal Revenue Service

For calendar year 2020, or tax year

beginning 1 / 2020 ending 1 /

2020

**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1 Ordinary business income (loss)	15 Credits
2 Net rental real estate income (loss)	
3 Other net rental real estate income (loss)	16 Foreign transactions
4 Guaranteed payment(s) for services	
4a Guaranteed payment(s) for capital	
4c Total guaranteed payments	

**Partner's Share of Income, Deductions,
Credits, etc.** ▶ See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

OMB No. 1545-0123

2020

U.S. Income Tax Return for an S Corporation

▶ Do not file this form unless the corporation has filed or is attaching Form 990-B to Schedule K-1.
▶ Go to www.irs.gov/form1065 for instructions and the latest information.

Form **1120-S**

Department of the Treasury
Internal Revenue Service

For calendar year 2020 or for your beginning 1 / 2020, ending 1 / 20

A Selection effect date

Name

D Employer identification number

B Business activity code
(number; see instructions)

**TYPE
OR
PRINT**

Number, street, and room or suite no. If a P.O. box, see instructions.

E Date incorporated

City or town, state or province, country, and ZIP or foreign postal code

F Total assets (see instructions)

C Check FSA, M, B, attached ☐

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No ☐ If "Yes," attach Form 9553 if already filed

H Check if: (R) ☐ Final return (S) ☐ Name change (M) ☐ Address change (A) ☐ Amended return (N) ☐ Section termination or revocation

J Check if corporation: (1) ☐ Aggregated activities for section 465 a-n-a-p-t-s (2) ☐ Grouped activities for section 465 c-a-t-i-v-e a-c-t-i-v-i-t-y p-u-r-p-o-s-e-s

Cautions: Includes only profits or losses and business income and expenses on lines 1a through 21. See the instructions for more information.

	1a Gross receipts or sales	1b		
	2 Returns and allowances		1c	
	3 Balance. Subtract line 1a from line 1b		2	
	4 Cost of goods sold (attach Form 1125-A)		3	
	5 Gross profit. Subtract line 4 from line 3		4	
	6 Net gain (loss) from Form 4797, line 17 (attach Form 4797)		5	
	7 Other income (loss) (see instructions—attach statement)		6	
	8 Total income (loss). Add lines 3 through 7		7	
	9 Compensation of officers (see instructions—attach Form 125-E)		8	
	10 Salaries and wages (less employment credits)		9	
	11 Repairs and maintenance		10	
	12 Bad debts		11	
	13 Rents		12	
	14 Taxes and licenses		13	
	15 Interest (see instructions)		14	
	16 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)		15	
	17 Depletion (Do not deduct oil and gas depletion.)		16	
	18 Advertising		17	
	19 Pension, profit-sharing, etc. plans		18	
	20 Employee benefit programs		19	
	21 Other deductions (attach statement)		20	
	22 Total deductions. Add lines 7 through 19		21	
	23 Ordinary business income (loss). Subtract line 22 from line 8			
22a	Excess net passive income or LIFO recapture tax (see instructions)	22a		
b	Tax from Schedule D (Form 1120-S)	22b		
c	Add lines 22a and 22b (see instructions for additional taxes)	22c		
d	2020 estimated tax payments and 2019 overpayment credited to 2020	23a		
e	Tax paid with Form 7004	23b		

rest income	
heavy dividends	
added dividends	
total equivalent	17 Alternative minimum tax (AMT) items
paties	
(short-term capital gain (loss))	
(long-term capital gain (loss))	18 Tax-exempt income and nondeductible expenses
(section 2512 gain (loss))	
recaptured section 1250 gain	
(section 1221 gain (loss))	19 Distributions
er income (loss)	
tion 179 deduction	20 Other information
er deductions	
employment earnings (loss)	
More than one activity for at-risk purposes?	
More than one activity for passive activity purposes?	
attached statement for additional information	

65

Cat. No. 11394R

Schedule K-1 (Form 1065) 2020

C-Corp

- Owners:
Take Salary
- Taxes:
Form 1120

xendoo.com



Form 1120		U.S. Corporation Income Tax Return		OMB No. 1545-0023
For calendar year 2020 or tax year beginning 2020, ending 2020		Go to www.irs.gov/Form1120 for instructions and the latest information.		
A. Check if: 1a Consolidated return (attach Form 990) 1b Life insurance company (attach Form 990) 2 Personal services corp. (see instructions)		B. Employer identification number Name Number, street, and room or suite no., if a P.O. box, see instructions City or town, state or province, country, and ZIP or foreign postal code		C. Date incorporated D. Total assets (see instructions)
4. Schedule M-1 (attach) E. Check if: (1) Initial return (2) Final return (3) Name change (4) Address change				
Income				
1a Gross receipts or sales		1b		
2 Returns and allowances		2		
3 Balance. Subtract line 1b from line 1a		3		
4 Cost of goods sold (attach Form 1125-A)		4		
5 Gross profit. Subtract line 4 from line 3		5		
6 Dividends and inclusions (Schedule C, line 23)		6		
7 Interest		7		
8 Gross rents		8		
9 Gross royalties		9		
10 Capital gain net income (attach Schedule D (Form 1120))		10		
11 Net gain or (loss) from Form 4797, Part 8, line 17 (attach Form 4797)		11		
12 Other income (see instructions—attach statement)		12		
13 Total income. Add lines 3 through 12		13		
Deductions (See instructions for limitations on deductions.)				
14 Compensation of officers (see instructions—attach Form 1125-B)		14		
15 Salaries and wages (less employment credits)		15		
16 Repairs and maintenance		16		
17 Bad debts		17		
18 Rents		18		
19 Taxes and licenses		19		
20 Interest (see instructions)		20		
21 Charitable contributions		21		
22 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)		22		
23 Depletion		23		
24 Advertising		24		
25 Pension, profit-sharing, etc. plans		25		
26 Employee benefit programs		26		
27 Reserved for future use		27		
28 Other deductions (attach statement)		28		
29 Total deductions. Add lines 14 through 28		29		
30 Taxable income before net operating loss deduction and special deductions. Subtract line 29 from line 13.		30		
31 Net operating loss deduction (see instructions)		31		
32 Special deductions (Schedule C, line 24)		32		
33 Add lines 29a and 29b		33		
34 Taxable income. Subtract line 33 from line 30. See instructions.		34		
35 Total tax (Schedule J, Part I, line 11)		35		
36 2020 net 965 tax liability paid (Schedule J, Part II, line 12)		36		
37 Total payments, credits, and section 965 net tax liability (Schedule J, Part III, line 28)		37		
38 Estimated tax penalty. See instructions. Check if Form 2220 is attached		38		
39 Amount owed. If line 33 is smaller than the total of lines 31, 32, and 34, enter amount owed		39		
40 Overpayment. If line 33 is larger than the total of lines 31, 32, and 34, enter amount overpaid		40		
41 Enter amount from line 39 you want credited to 2021 estimated tax		41		
42 Refund		42		
Under penalties of perjury, I declare that I have prepared this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		May the IRS discuss this return with the preparer shown below? (See instructions.) Yes No		
Sign Here Signature of officer Date Title		Paid Preparer Use Only Preparer's name Preparer's signature Date Check if self-employed PTIN		
Form 1120 (2020)		Cat. No. 114500		

What if I am an...

LLC

- LLC can be a sole proprietorship, partnership, or corporation
- The way you pay yourself and the way you are taxed depends on which business entity your company falls under

**Xendoo. Delivering financial peace of mind to
small business owners. We are a team of real
people, ready to do your bookkeeping, accounting,
and tax. Xendoo, let's go!**