



Small Business Tax Workshop Instructor Resource

Thank you for choosing to use the Internal Revenue Service Small Business Tax Workshop (SBTW) to teach small business owners about their federal tax responsibilities. The SBTW is a group of lessons that you can customize to meet varying educational needs and tailor to the time available.

This document contains links to the contents of the workshop and links to resources discussed in each lesson. It also contains information on marketing the workshop.

PowerPoint Presentations

PowerPoint presentations are available for all eight lessons of the workshop. You can use some or all of the presentations. You can present them in any order and tailor them to meet the needs of your audience. Customize your presentation by:

- Inserting your name on the title page(s)
- Adding title pages
- Hiding/unhiding slides
- Printing handouts for note-taking (attendees favor the three-slides-per-page format)

Contact your [local Stakeholder Liaison](#) to obtain the PowerPoint presentations.

You may want to view the free online version of "[Small Business Tax Workshop](#)" before you make your presentation.

Marketing on IRS.gov

We will be pleased to promote workshops that you deliver using some of our products--PowerPoint, printed forms and publications — on our website at [Small Business Tax Workshops and Webinars](#), including providing a link to your website or the registration forms. This is especially useful if you have many workshops throughout the year. In order to promote your workshop on IRS.gov, provide us with the workshop particulars 30 days prior to the date of the workshop. Please contact me at Desk# 914-684-7151 or Cell # 914-879-3153 for any questions and to request publicizing your workshops.

We Invite Your Feedback

I hope you find value in these tools and look forward to hearing your suggestions and comments. Please share your thoughts and ideas about the Small Business Tax Workshop by contacting me at Desk# 914-684-7151 or Cell # 914-879-3153 I look forward to hearing from you soon.



Small Business Tax Workshop (SBTW) - Overview of Lessons

Lesson 1: Federal Taxes and Your New Business

- Employer Identification Number
- Recordkeeping
- Bookkeeping systems
- Accounting Methods
- Types of Business Structures
- Sole Proprietorship
- Partnership
- Corporation
- S Corporation
- Limited Liability Company
- Sharing or Gig Economy
- Choosing a paid preparer

Lesson 2: Schedule C and other small business taxes

- Qualified Business Income (Section 199A) Deduction
- Completing Schedule C Part 1
- Gross Receipts and Returns & Allowances
- Cost of goods sold
- Gross Profit and Gross Income
- Bartering
- Completing Schedule C Part II
- Car and Truck Expense
- Depreciation
- Tax Cut and Jobs Act of 2017 – Changes to Expensing and Depreciation
- Legal and Professional Services and Office Expenses
- Supplies
- Travel, Meals, and Entertainment
- Net Profit or Loss
- Possible Deductions on Form 1040

Lesson 3: Filing and Paying Taxes Electronically

- Customize this Lesson for your Business
- Sole Proprietor
- Partnership
- Corporation
- Charity or Non-profit
- Do you pay your taxes electronically?
- Benefits of Paying Electronically
- Electronic Funds Withdrawal
- Electronic Filing Tax Payment System (EFTPS) and EFTPS Payment Methods



Lesson 4: Business Use of Your Home

- Simplified Home Office Deduction
- Qualifying for business use of the home deduction – Exclusive Use Test
- Test Your Knowledge – Exclusive Use Test
- Test Your Knowledge – Exclusive Use Test
- Regular Use Test
- Test Your Knowledge – Regular Use Test
- Principal Place of Business Test
- Activities that don't disqualify your home office
- Test Your Knowledge – Principal place of business test
- Meeting Place for Customers Test
- Test Your Knowledge – Meeting Place for Customers Test
- Separate Structure Test
- Test Your Knowledge – Separate Structure Test
- Deduction limits
- Types of expenses
- Expenses related to the business activity in the home
- Business Use of the Home Expenses
- Deductible expenses
- Deduction limits – Gross Income
- Example – Determining the home office deduction
- What you can't do
- Selling your home when you used it for business
- Illegal Tax Avoidance Schemes

Lesson 5: Federal Taxes When Hiring Employees or Independent Contractors

- Employment Taxes
- Worker classification - Employee or Independent Contractor
- Behavioral Control
- Financial Control
- Relationship with worker
- Determining worker status
- Employer responsibilities if you have employees
- Determining eligibility of employees to work legally in the U.S.
- Form W-4
- Verification of employee SSNs
- Form W-2 Wage and Tax Statement
- Ensuring new employees provide correct information
- Document the steps you take
- Issuing Forms W-2
- Earned Income Tax Credit (EITC)
- Individual Tax Identification Number (ITIN)
- Independent Contractors/Filing Proper Forms



Lesson 6: Managing Payroll to Withhold the Correct Amount of Taxes

- Wages and Calculating Payroll
- Calculating Payroll
- Calculating Payroll: Tips
- Allocated Tips
- Tip Rate and Education Program
- Calculating Payroll: Non-Profits
- Calculating Payroll: Farm workers
- Calculating Withholding
- Calculating Withholding: Wage Bracket Method
- Calculating Withholding: Percentage Method
- Other Withholding - Social Security, Medicare, and Additional Medicare Taxes
- Additional Medicare Tax Withholding
- Taxes on Employee Tips
- Tax on Employee Tips - Withholding
- Federal Unemployment Tax Act (FUTA)
- FUTA Tax – Household Workers
- Calculating FUTA Tax
- FUTA Tax Example
- Employer's Federal Unemployment Tax Return
- FUTA Tax- Farm Workers

Lesson 7: Tax Deposits and Filing a Return to Report Payroll Taxes

- Making tax deposits
- Deposit Due Dates
- Determining Deposit Schedule – Using Lookback Period
- Monthly Depositor
- Semiweekly Depositor
- \$100K Next-Day Deposit Rule
- Late Deposit Penalties
- Electronic fund transfer for federal tax deposits
- Reporting Payroll Taxes
- Completing Form 941
- Wage Base
- Penalties and Interest
- Benefits of e-file
- Outsourcing Payroll Duties



[Lesson 8: Hiring People who Live in the U.S. who Aren't Citizens](#)

- Determining a worker's tax status
- Individual Tax Identification Number (ITIN)
- Work Eligibility
- Resident Alien
- Nonresident Alien
- Calculating withholding
- Exception to General Rules for Withholding
- Employment taxes
- Nonresident alien independent contractors
- Filing employment tax returns

Lesson Resources

You'll find the following material referenced in the Small Business Tax Workshop videos and PowerPoints

[Lesson 1: Federal Taxes and Your New Business](#)

IRS Publications:

- [Publication 583, Starting a Business and Keeping Records](#)
- [Publication 538, Accounting Periods and Methods](#)
- [Publication 334, Tax Guide for Small Business \(For individuals who use Schedule C\)](#)
- [Publication 541, Partnerships](#)
- [Publication 542, Corporations](#)

IRS Forms and instructions:

- [Schedule C \(Form 1040\), Profit or Loss from Business \(Sole Proprietorship\)](#)
- [Schedule SE \(Form 1040\), Self-Employment Tax](#)
- [Form 1065, U.S. Return of Partnership Income](#)
- [Form 1120, U.S. Corporation Income](#)
- [Form 1120-S, U.S. Income Tax Return for S Corporation](#)
- [Form 2553, Election by a Small Business Corporation](#)
- [Form 8832, Entity Classification Election](#)

IRS.gov webpages:

- [Employer Identification Numbers \(EIN\)](#)
- [Recordkeeping](#)
- [Business Structures](#)
- [Gig Economy Tax Center](#)
- [Choosing a tax return preparer](#)



Lesson 2: Schedule C and Other Small Business Taxes

IRS Publications:

- [Publication 525, Taxable and Nontaxable Income](#)
- [Publication 535, Business Expenses](#)
- [Publication 946, How to Depreciate Property](#)
- [Publication 463, Travel, Gift and Car Expenses](#)
- [Publication 560, Retirement Plans for Small Businesses](#)
- [Publication 505, Tax Withholding and Estimated Tax](#)
- [Publication 334, Tax Guide for Small Business \(For individuals who use Schedule C\)](#)

IRS Forms and instructions:

- [Schedule C \(Form 1040\), Profit or Loss from Business \(Sole Proprietorship\)](#)
- [Form 4562, Depreciation and Amortization](#)
- [Form 1040-ES, Estimated Tax for Individuals](#)
- [Form W-4, Employee's Withholding Allowance Certificate](#)
- [Schedule SE \(Form 1040\), Self-Employment Tax](#)

IRS.gov webpages:

- [Qualified Business Income \(QBI\) Deduction - Section 199A](#)
- [Standard Mileage Rates](#)
- [Tax Withholding Estimator](#)
- [Tax Withholding](#)
- [Electronic Federal Tax Payment System \(EFTPS\)](#)
- [Small Business and Self-Employed Tax Center - IRS.gov/smallbiz](#)

Other resources:

- [GSA.gov – “Per Diem Rates”](#)



[Lesson 3: Filing and Paying Taxes Electronically](#)

IRS Publications:

- [Publication 966, Electronic Federal Tax Payment System: A Guide to Getting Started](#)

IRS Forms and instructions:

- [Form 990 EZ, Short Form Return of Organization Exempt from Income Tax](#)

IRS.gov webpages:

- [Pay Online](#)
- [Filing Information](#)
- [Business and Self-Employed](#)
- [Charities and Nonprofits](#)

Other resources:

- [EFTPS.gov](#)

[Lesson 4: Business Use of Your Home](#)

IRS Publications:

- [Publication 587, Business Use of Your Home \(Including Use by Daycare Providers\)](#)
- [Publication 523, Selling Your Home](#)

IRS Forms and instructions:

- [Form 8829, Expenses for Business Use of Your Home](#)
- [Schedule C \(Form 1040\), Profit or Loss from Business \(Sole Proprietorship\)](#)

IRS.gov webpages:

- [Simplified Option for Home Office Deduction](#)



[Lesson 5: Federal taxes when hiring employees or independent contractors](#)

IRS Publications:

- [Publication 15, \(Circular E\) Employer's Tax Guide](#)
- [Publication 1220, Specifications for Electronic Filing of Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G](#)

IRS Forms and instructions:

- [Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding](#)
- [Form W-4, Employee's Withholding Certificate](#)
- [Form W-2, Wage and Tax Statement](#)
- [Form W-3, Transmittal of Wage and Tax Statements](#)
- [Form 4419, Application for Filing Information Returns Electronically \(FIRE\)](#)

IRS.gov webpages:

- [Individual Taxpayer Identification Number \(ITIN\)](#)
- [Earned Income Tax Credit \(EITC\)](#)
- [Independent Contractor \(Self-Employed\) or Employee](#)
- [Notice 1015, "Have you told your employees about the Earned Income Tax Credit \(EITC\)?"](#)
- [Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit \(EIC\)](#)
- [Filing Information Returns Electronically \(FIRE\)](#)

Other resources:

- [Form SS-5, Application for a Social Security Card – Social Security card online](#)
- [USCIS.gov/I-9 – Form 1-9, Employment Eligibility Verification](#)
- [Social Security Number Verification Service \(SSNVS\)](#)
- [E-verify.gov](#)
- [Electronic W-2/W-2C Filing Handbook – SSA.gov/employer](#)

[Lesson 6: Manage payroll so you withhold the correct amount of taxes](#)

IRS Publications:

- [Publication 15, \(Circular E\) Employer's Tax Guide](#)
- [Publication 531, Reporting Tip Income](#)
- [Publication 1244, Employee's Daily Record of Tips and Report to Employer](#)
- [Publication 15-A, Employer's Supplemental Tax Guide](#)
- [Publication 15-T, Federal Income Tax Withholding Methods](#)
- [Publication 51, \(Circular A\) Agricultural Employer's Tax Guide](#)

IRS Forms and instructions:

- [Form 8027, Employer's Annual Information Return of Tip Income & Allocated Tips](#)
- [Form 943, Employer's Annual Federal Tax Return for Agricultural Employees](#)



[Lesson 7: Tax deposits and filing a return to report payroll taxes](#)

IRS Publications:

- [Publication 15, \(Circular E\) Employer's Tax Guide](#)
- [Publication 966, Electronic Choices to Pay All Your Federal Taxes](#)

IRS Forms and instructions:

- [Form 941, Employer's Quarterly Federal Tax Return](#)
- [Form 944, Employer's Annual Federal Tax Return](#)
- [Form 941-X, Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund](#)

IRS.gov webpages:

- [Notice 746, Information About Your Notice Penalty and Interest](#)

[Lesson 8: Hiring people who live in the U.S. who aren't citizens](#)

IRS Publications:

- [Publication 519, U.S. Tax Guide for Aliens](#)
- [Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities](#)

IRS Forms and instructions:

- [Form 8233, Exemption from Withholding on Compensation for Independent \(and Certain Dependent\) Personal Services of a Nonresident Alien Individual](#)

IRS.gov webpages:

- [Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens](#)

Other resources:

- [U.S. Citizenship and Immigration Services \(USCIS\) website - USCIS.gov](#)
- [E-verify.gov](#) – An official website of the U.S. Department of Homeland Security
- [USCIS Form I-551, Permanent Resident Card \(also known as a Green Card\)](#)