

Review of Tax Tips for Small Business

Law professor James Edward Maule of Villanova University wrote the following in 2006 on his blog, <http://mauledagain.blogspot.com/>:

"Julian Block has a tax book hat trick for 2006. Earlier this year, in [Tax and Relationships: A Book to Read and Give](#), I described his "MARRIAGE AND DIVORCE: Savvy Ways For Persons Marrying, Married Or Divorcing To Trim Their Taxes - And They're Legal." Several months ago, in [A New Book on Taxation of Residence Sales: Don't Leave Home Without It](#), I reviewed Julian's "THE HOME SELLER'S GUIDE TO TAX SAVINGS: Simple Ways For Any Seller To Lower Taxes To The Legal Minimum." Now he brings us "TAX TIPS FOR SMALL BUSINESSES: Savvy Ways For Writers, Photographers, Artists And Other Freelancers To Trim Taxes To The Legal Minimum."

As I mentioned in the two previous reviews, Julian's titles suggest that he is collecting gimmicks, tricks, and ploys with respect to the tax treatment of the selected subject, but the actuality is quite the opposite. What Julian does is to put the spotlight on tax provisions that easily can be overlooked by someone not expertised in taxation. In addition to reminding taxpayers of deductions and credits of which they should be aware, he also spells out in careful detail the common mistakes that taxpayers often make, and why trying for more than the tax law allows is counterproductive. Thus, in his latest effort, Julian begins with an explanation of how difficult it is to demonstrate that activities such as writing, photography, and art constitute trades, businesses, or for-profit activities rather than hobbies.

In this new book, Julian devotes chapters to small business depreciation, health insurance and vehicle deductions for the self-employed, home office deductions, self-employment taxes, net operating losses, and section 1244 stock. He describes the narrow circumstances under which travel expenses for an entrepreneur's spouse can be deducted. He explores the circumstances under which employed of children in a parent's business can be advantageous, and those in which it is not. Practical tips about making payments at the end of the year, keeping records, sending checks to the IRS, extensions of time to file, and making refund claims are covered in five chapters. Julian warns self-employed individuals who hire employees about the risks of failing to withhold and remit employment taxes, a problem that seems to afflict far more people than one would expect.

As with his earlier works, Julian's most recent effort is more suited for the person not schooled in tax law. The many people who start doing business without getting any tax advice, and who for whatever reason do not seek that advice at the outset, would be well advised to buy this book and become acquainted with the tax law parameters affecting writers, photographers, and artists. Doing so would reduce the likelihood of making decisions that generate adverse tax consequences that could have been avoided."