

TaxPro's 5 Tax Tips for Starting a new business

- 1) Consider what type of entity your business is going to be. The entity type will determine what tax forms you will need to file and what papers you will need to save. Some of the most common business types are sole proprietorship, partnership, S or C corporation.
- 2) Know what taxes your business must pay and how you have to pay them. The five general types of business taxes are sales tax, income tax, self-employed tax, employment tax, and excise tax.
- 3) Obtain an Employer Identification Number (EIN) in order to limit the use of your social security number and reducing the potential for identity theft.
- 4) Consider what accounting method you will use, this will help determine when and what documents to save for reporting your taxes. The most commonly used methods are the cash accounting method or the accrual accounting method.
- 5) Keep good records and manage your businesses accounting in order to not have surprises when filing your taxes.