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Do you know the secret to paying less tax to the IRS?

Here's a story of two drivers...

Bob and Bill were owner-operators for the same company. Every year, both had exactly the same loads and were paid the same amount. At the end of every year, Bob had nearly \$2000 more in his pocket! How did he do it?

Name	Bill	Bob
Entity Type	LLC	Corporation
Total Earned	50,000.00	50,000.00
Paid as Wage	-	35,000.00
Company Profit	50,000.00	15,000.00
FICA Tax	7,650.00 (Profit x 15.3%)	5,355.00 (Wage x 15.3%)
Unemployment Tax		309.00
Savings		1,986.00

Bob's secret was that he incorporated his business. By incorporating, Bob only paid FICA tax on his wage. The rest of his income was not subject to FICA tax. Bill did not know the secret. Bill was a Sole Proprietor LLC. Bill had to pay 15.3% FICA Tax on every dollar he earned.

Incorporating your business has other advantages too.

- A corporation tax return is less likely to be audited than a personal return.
- If the corporation is audited, the audit would be limited to corporate matters and would not involve your personal return unlike a single member LLC.
- It is easier to get credit if you are paid a wage with a W-2 instead of being a self-employed LLC even though you're doing the same job.
- Corporations also enjoy liability protection just like an LLC.



There are some things you'll need to do to get this started. You'll need to incorporate your business. The corporation will need to pay you as an employee and file payroll tax forms as well as make regular tax payments throughout the year. Superior Payroll Service has over 15 years experience assisting clients in this way and can incorporate your businesses for less than \$400.00.

Call (866) 296-5911 or email us at mrizema@weknowpayroll.com today for a free consultation.