



AND PROFIT

Polish

Workshop (2)

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90 Day Accelerator

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CALIFORNIA TAX RULES (2025)

1. Minimum wage increase to **\$16.50/hr**

2. **Manicurists must now meet the ABC test criteria to be classified as independent contractors. If Nail salons don't pay them as an independent contractor then they must hire them as w-2 employees, providing all associated benefits**

- + The worker is free from the control and direction of the hiring entity in performing the work.
- + The work performed is outside the usual course of the hiring entity's business.
- + The worker is customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed.

3. **Freelance Worker Protection Act**

- + Contracts: Hiring parties must provide a written contract outlining the terms of service, including payment details and due dates.
- + Record Retention: Contracts must be retained for at least four years.



SOLE PROPRIETORSHIP

 **Best for:** Freelancers, booth renters, independent stylists, or part-time beauty professionals.

 **Why?**

- Easiest and cheapest to start—just a business license.
- Works well for low-income or side hustle beauty professionals who don't need liability protection.
- Self-employment taxes can be high, but deductions (e.g., supplies, rent) help.

 **When to Upgrade?**

- Once you're making over \$50K+ per year, the self-employment tax burden grows.
- If you start hiring staff or signing leases, consider an LLC for liability protection.



LIMITED LIABILITY COMPANY

✓ **Best for:** Solo beauty professionals who want legal protection, small salon owners, or those expanding their business.

✓ Why?

- Protects personal assets (if sued, your house & savings are safer).
- Can be taxed as a sole proprietorship (default) OR elect S-Corp taxation (if profits are high enough).
- Works well if you're growing but not making over \$100K yet.

⚠ When to Upgrade?

- If your profit exceeds \$75K+, you should consider S-Corp taxation (to save on self-employment taxes).
- If you're hiring multiple employees and scaling up, an S-Corp may be a better fit.



S-CORPORATION (S-CORP)

✓ **Best for:** Successful salon owners, beauty professionals with high profits, and those wanting tax savings.

✓ Why?

- Major self-employment tax savings—you can pay yourself a reasonable salary and take extra profits as distributions (which aren't subject to self-employment tax).
- Best for business owners making at least \$75K-100K in profit (to justify the extra tax filings and payroll setup).
- Offers liability protection, credibility, and easier expansion (franchises, partnerships, investors).

⚠ When to Stay as an LLC Instead of an S-Corp?

- If your profits are under \$75K, the cost of running an S-Corp (extra taxes, payroll, bookkeeping) may not be worth it.

BUSINESS ENTITY FORMATION PLATFORMS



- 1. Starting at \$79
- 2. \$199/year for registered agent
- 3. Customer Support- Moderate
- 4. Best For - Comprehensive Legal Services

- 1. Starting at \$0
- 2. \$199/year for registered agent
- 3. Customer Support- Excellent
- 4. Best For - Business formation

- 1. Starting at \$49
- 2. \$199/year for registered agent
- 3. Customer Support- Very Good
- 4. Best For - Quick Processing

EXAMPLE



SWITCHING A SOLE PROPRIETOR TO A S-CORP

1. Form a Corporation with your state
2. Obtain an EIN (Employer Identification Number) from the IRS
3. File form 2553 with the IRS- This elects (s-corp) tax status for your corporation
4. Set up payroll
5. Transfer Business assets and account

**Capital One-
High Yield Savings**

3.6%

**US Bank-
High Yield Savings**

3.5%

**Amex-
High Yield Savings**

3.8%

**BANKING:
Top Accounts
Earning Interest**

BOOKED VS NON-BOOKED CLIENT RETENTION STRATEGY

Booked

1. Instant Confirmation (✉️ Text & Email) – Sent right after booking to confirm details.
2. 48-Hour Reminder (📅 Text) – Helps clients reschedule if needed.
3. Day-of Reminder (🕒 Text) – 3 hours before the appointment to ensure they remember
4. Last-Minute Reminder (Optional) (🚗 Text) – 30-60 minutes before, mainly for VIP clients or high-ticket services

Non-Booked

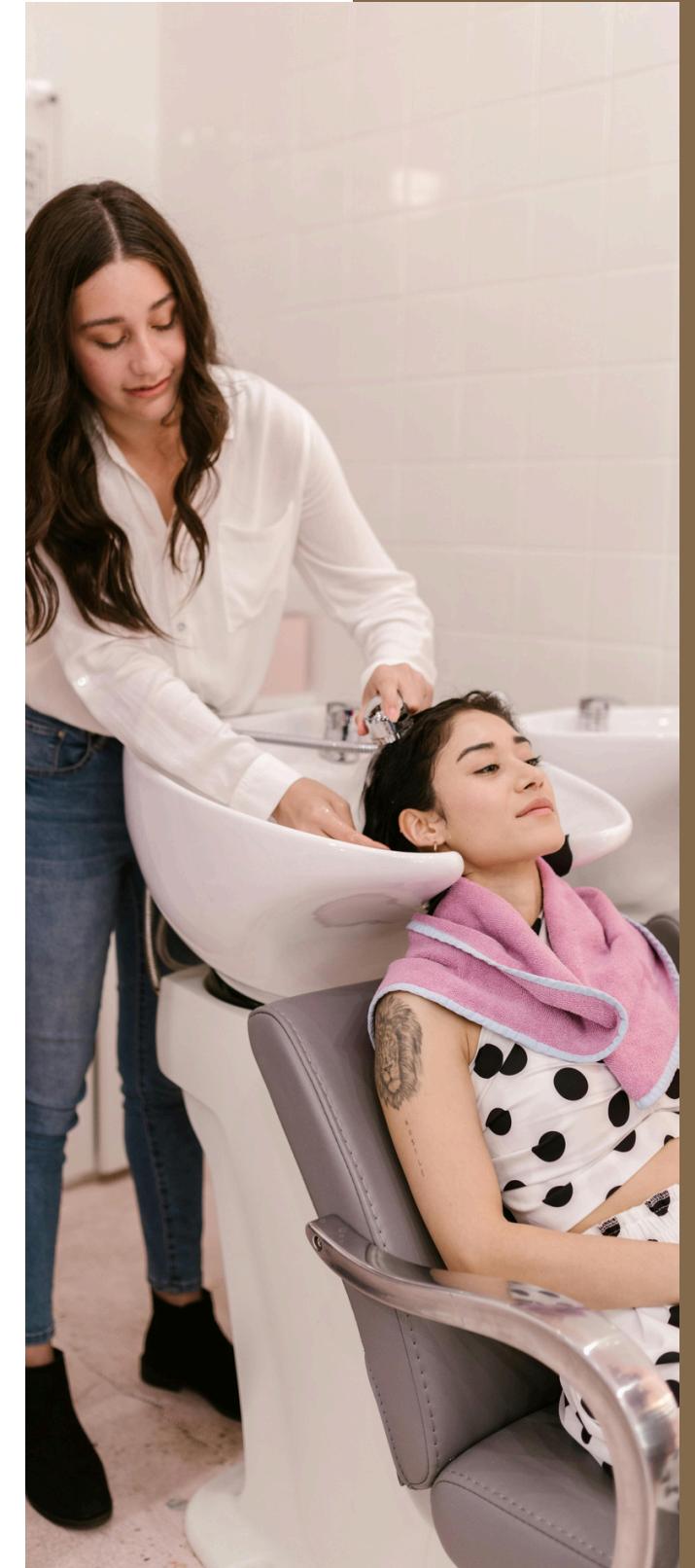
1. Monthly Emails (2)
2. Monthly Text Messages (1)
3. Holiday Specials
4. Raise Prices beginning of each new year
5. VIP Test Appointments

Total sales [View report](#)
\$63,169.63 ↗ 294%

Online Store \$54,658.06 ↗ 246%
Point of Sale \$6,936.61
Facebook & Instagram \$1,574.96 ↗ 534%



No-shows drop by up to 39% with at least two reminders



BUDGET PLATFORMS

