



5 Common Tax Mistakes DFW Businesses Make (and How to Avoid Them)

Introduction:

As a DFW business owner, you work hard to grow your company. Don't let costly tax mistakes eat into your profits. Infinity Management has compiled this guide to highlight five common tax pitfalls and provide actionable tips to help you avoid them.

Mistake #1: Not Taking Advantage of All Deductions

- **Explanation:** Many businesses miss out on valuable deductions due to a lack of awareness or understanding of the tax code.
- **Solution:** Keep meticulous records of all business expenses. Consult with a tax professional to ensure you're claiming every deduction you're entitled to. Common deductions include:
 - Office expenses
 - Travel and entertainment
 - Home office (if applicable)
 - Depreciation
 - Business insurance

Mistake #2: Incorrectly Classifying Workers

- **Explanation:** Misclassifying employees as independent contractors can lead to significant penalties and back taxes.
- **Solution:** Understand the difference between employees and independent contractors. The IRS has specific guidelines for classification. When in doubt, consult a tax professional.

Mistake #3: Failing to File on Time

- **Explanation:** Late filing penalties can add up quickly.
- **Solution:** Mark tax deadlines on your calendar and ensure you file all required forms on time. If you can't file by the deadline, request an extension.

Mistake #4: Ignoring State and Local Taxes

- **Explanation:** In addition to federal taxes, DFW businesses are subject to state and local taxes, which can vary.



- **Solution:** Familiarize yourself with Texas state and local tax requirements. Consult with a tax professional to ensure compliance.

Mistake #5: Not Planning Ahead

- **Explanation:** Failing to plan for taxes throughout the year can lead to a surprise tax bill at the end of the year.
- **Solution:** Work with a tax professional to develop a proactive tax plan. This includes estimating your tax liability, making quarterly estimated tax payments, and identifying opportunities to minimize your tax burden.

Conclusion:

Navigating the complexities of business taxes can be challenging. Infinity Management is here to help. Our experienced tax professionals can provide strategic tax planning and preparation services to ensure you're minimizing your tax liability and maximizing your profits.

Call to Action:

Schedule a free consultation today to discuss your business tax needs. Contact us at **(214) 315-1912**. Learn more at **infinity-management.com**.