



UTILIZING THE S-CORPORATION WHEN THE TIME IS RIGHT

So many Americans have been brain-washed into thinking the LLC is the first and best move when starting a business – **WRONG!!**

The problem is that if you sell products or services, receive commissions, flip properties, or get a 1099, you're generally going to create ORDINARY INCOME. **Individuals and LLCs WILL pay self-employment tax of 15.3% on a large part of those profits.**

The benefit of an S-Corp is that this structure **allows you, the business owner, to MINIMIZE this dreaded self-employment tax.** Essentially, you will pay your share of the SE tax thru 'payroll' out of the S-Corp, and everything else is flow-through income from the profit and NOT subject to SE Tax.

Yes, this is a strategy that can be abused and certainly can cause a mess if not done correctly. But the savings is too much to ignore.

Don't listen to your accountant when they say "This is a high risk strategy," or "You need to take more salary, it doesn't work for you," or "In California (or whatever state) it doesn't apply." ALL of those statements are wrong! Get a 2nd opinion...it could be costing you thousands!!