

Please enter all pertinent 2019 amounts. Last year's amounts are provided for your reference.

GENERAL INFORMATION

| | |
|--|--|
| Principal business/profession..... | |
| Principal business code..... | |
| Business name, if different from Form 1040..... | |
| Business address, if different from Form 1040... | |
| City, if different from Form 1040..... | |
| State, if different from Form 1040..... | |
| ZIP code, if different from Form 1040..... | |
| Foreign region..... | |
| Foreign postal code..... | |
| Foreign country..... | |
| Employer identification number..... | |
| Other accounting method..... | |

| | | |
|--|--|--|
| Accounting method: 1=cash, 2=accrual..... | | |
| Inventory method: 1=cost, 2=lower cost/market, 3=other..... | | |
| 1=change of inventory method..... | | |
| 1=spouse, 2=joint..... | | |
| 1=first Schedule C filed for this business..... | | |
| If required to file Form(s) 1099, did you or will you file all required Form(s) 1099: 1=yes, 2=no..... | | |
| 1=not subject to self-employment tax..... | | |
| 1=did not "materially participate"..... | | |
| 1=personal services is not a material income producing factor..... | | |
| 1=investment..... | | |
| 1=minister's Schedule C..... | | |
| 1=single member limited liability company..... | | |
| 1=trader in financial instruments or commodities..... | | |

INCOME

| | 2019 Amount | 2018 Amount |
|--|-------------|-------------|
| Gross receipts or sales (Form 1099-MISC, box 7)..... | | |
| Returns and allowances..... | | |
| Other income: | | |
| _____ | | |
| _____ | | |
| _____ | | |

COST OF GOODS SOLD

| | | |
|---|--|--|
| Inventory at beginning of the year..... | | |
| Purchases..... | | |
| Cost of items for personal use..... | | |
| Cost of labor..... | | |
| Materials and supplies..... | | |
| Other costs: | | |
| _____ | | |
| _____ | | |
| _____ | | |
| Inventory at end of the year..... | | |

Please enter all pertinent 2019 amounts. Last year's amounts are provided for your reference.

EXPENSES

| | 2019 Amount | 2018 Amount |
|--|-------------|-------------|
| Accounting..... | | |
| Advertising..... | | |
| Answering service..... | | |
| Bad debts from sales or service..... | | |
| Bank charges..... | | |
| Car and truck expenses (not entered elsewhere)..... | | |
| Commissions..... | | |
| Contract labor..... | | |
| Delivery and freight..... | | |
| Dues and subscriptions..... | | |
| Employee benefit programs..... | | |
| Insurance (other than health)..... | | |
| Mortgage interest (paid to banks, etc.)..... | | |
| Other interest (not entered elsewhere)..... | | |
| Janitorial..... | | |
| Laundry and cleaning..... | | |
| Legal and professional..... | | |
| Miscellaneous..... | | |
| Office expense..... | | |
| Outside services..... | | |
| Parking and tolls..... | | |
| Pension and profit sharing plans - contributions..... | | |
| Pension and profit sharing plans - admin. and education costs..... | | |
| Postage..... | | |
| Printing..... | | |
| Rent - vehicles, machinery, & equipment (not entered elsewhere)..... | | |
| Rent - other..... | | |
| Repairs..... | | |
| Security..... | | |
| Supplies..... | | |
| Taxes - real estate..... | | |
| Taxes - payroll..... | | |
| Taxes - sales tax included in gross receipts..... | | |
| Taxes - other (not entered elsewhere)..... | | |
| Telephone..... | | |
| Tools..... | | |
| Travel..... | | |
| Total meals in full (50%)..... | | |
| Department of Transportation meals in full (80%)..... | | |
| Uniforms..... | | |
| Utilities..... | | |
| Wages..... | | |

Other expenses:

| | | |
|-------|--|--|
| _____ | | |
| _____ | | |
| _____ | | |
| _____ | | |
| _____ | | |

NOTE: If you purchased or disposed of any business assets, please complete Sheet 22.

Please enter 2019 indirect expenses in full. Nonbusiness portion will carry to Schedule A.
Business percentage will be applied to indirect expenses only.

BUSINESS USE OF HOME

| | 2019 Amount | 2018 Amount |
|---|-------------|-------------|
| Form | | |
| Number of form (e.g., enter 2 for Schedule C number 2) | | |
| Business use area (square footage) | | |
| Total area of home (square footage) | | |
| Total hours facility used (for daycare facilities only) | | |
| Total hours available (if not 8,760) | | |
| Area of home included above used exclusively for daycare business, if any (sq ft) | | |
| % (.xx) or amount of gross income from home if not 100% (-1 if none) | | |
| % (.xx) or amount of expenses from home if not 100% (-1 if none) | | |

INDIRECT EXPENSES

NOTE: Indirect expenses are for keeping up and running your entire home. They benefit both the business and personal parts of your home.

| | | |
|--------------------------------|--|--|
| Mortgage interest | | |
| Real estate taxes | | |
| Casualty losses | | |
| Insurance | | |
| Miscellaneous | | |
| Rent | | |
| Repairs and maintenance | | |
| Utilities | | |
| Excess mortgage interest | | |
| Excess real estate taxes | | |
| Other indirect expenses: | | |
| _____ | | |
| _____ | | |
| _____ | | |

DIRECT EXPENSES

NOTE: Direct expenses benefit only the business part of your home. They include painting or repairs made to specific areas or rooms used for business.

| | | |
|---------------------------------|--|--|
| Mortgage interest | | |
| Real estate taxes | | |
| Casualty losses | | |
| Insurance | | |
| Miscellaneous | | |
| Rent | | |
| Repairs and maintenance | | |
| Utilities | | |
| Excess mortgage interest | | |
| Excess real estate taxes | | |
| Excess casualty losses | | |
| Allowable casualty losses | | |
| Other direct expenses: | | |
| _____ | | |
| _____ | | |
| _____ | | |

1040

US

Asset Acquisition List

If you purchased any business assets (furniture, equipment, vehicles, real estate, etc.) or converted any personal assets to business use in 2018, please enter all pertinent information below.

| No. | Description of Property | Related Business or Activity | Preparer Use Only | | | Date Placed in Service | Cost or Basis | Preparer Use Only | |
|-----|--|------------------------------|-------------------|-------------|----------|------------------------|----------------------|---------------------|--------|
| | | | Form | No. of Form | Category | | | Current Section 179 | Method |
| 4 | | | | | | | | | |
| 5 | (Example) House at 100 Main St | | | | | 1/1/90 | \$200,000 | | |
| 6 | FMV on 9/1/2019 = \$320,000 | | | | | | | | |
| 7 | Kitchen Renovation Porch Renovation | | | | | 6/1/00 4/1/05 | \$20,000 \$ 6,500 | | |
| 8 | ***** | | | | | | | | |
| 9 | | | | | | | | | |
| 10 | | | | | | | | | |
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| 24 | | | | | | | | | |

VEHICLE DEDUCTIONS

If you use your vehicle for self-employment, rental property management, or unreimbursed employment* purposes, you may be able to receive a deduction for your expenses. Please use the pages in the organizer to provide the relevant information. If this is a new factor in your tax situation, contact Lotts and we will provide a worksheet supplement.

There are two possible ways to claim a mileage deduction – Standard Mileage or Actual Expense. What follows is intended to clarify which information is necessary depending on the type of deduction you will claim.

Standard Mileage Deduction

- A. Make/Model/Year of Vehicle
- B. Total number of miles driven during 2019
- C. Number of business/rental/work miles in 2019 (by activity)
- D. Number of commuting miles during 2019
(Commuting is the routine round trip between home and your place of work, which is not deductible)
- E. Amount paid to license the vehicle (if possible, provide the copy of the registration that includes taxes & fees)
- F. Amount of interest paid on an auto loan (if applicable)
- G. The date the car was placed in business service AND its fair market value at that time

Actual Expense

- A. Make/Model/Year of Vehicle
- B. Total number of miles driven on it during 2019
- C. Number of business/rental/work miles in 2019 (by activity)
- D. Number of commuting miles during 2019
(Commuting is the routine round trip between home and your place of work, which is not deductible)
- E. Amount paid to license the vehicle (if possible, provide the copy of the registration that includes taxes & fees)
- F. Amount of interest paid on an auto loan (if applicable)
- G. The date the car was placed in business service AND its fair market value at that time
- H. Vehicle operating expenses during 2019 including:
 - gasoline
 - oil change costs
 - repairs and maintenance
 - insurance,
 - miscellaneous (car wash, AAA membership, etc.)
- I. Vehicle lease payments during 2019 (if applicable)

The Actual Expense deduction requires greater recordkeeping and time, but may result in a larger deduction, especially if you have a newer car, lease your vehicle and/or drive a low number of miles of which a high proportion are work related. You may choose to provide only the information needed to take the Standard Deduction.

If you would like to retain the option to compare the two methods each year, you MUST use the Standard Deduction the first year that vehicle appears on your tax return.

A few tips when considering taking a mileage deduction:

- If you use multiple cars for work and/or have multiple sources of self-employment income, all of the information listed above must be broken down to the specific vehicle for the specific activity. This also applies if you start using a different vehicle part way through the year; the details need to be specific to each vehicle, and the date of the switch is an important piece of information.
- When choosing between the two reporting options, the standard mileage deduction is a prudent choice for many taxpayers. The onus of record-keeping is much lower, which means there is less time involved for both you the taxpayer and (often) billable time for tax prep at Lotts.

You are expected to have contemporaneous documentation to support either type of mileage deduction. This includes a mileage log and relevant receipts/statements.

* Unreimbursed expenses incurred as an employee are no longer deductible on the Federal tax return. However, they may be considered a possible deduction for Minnesota and other states.

Please enter all pertinent 2019 amounts. Last year's amounts are provided for your reference.

GENERAL INFORMATION

| | 2019 Amount | 2018 Amount |
|---|-------------|-------------|
| Description of vehicle..... | | |
| 1=no evidence to support your deduction..... | | |
| 1=no written evidence to support your deduction..... | | |
| 1=vehicle is available for off-duty personal use..... | | |
| 1=no other vehicle is available for personal use..... | | |
| 1=vehicle used primarily by more than 5% owner..... | | |
| Number of months of business use if changed from 100% personal use..... | | |

AUTOMOBILE MILEAGE

| | | |
|---|--|--|
| Total mileage (for the tax year)..... | | |
| Business mileage..... | | |
| Commuting mileage (for the tax year)..... | | |
| Average daily round-trip commute..... | | |

ACTUAL EXPENSES

| | | |
|--|--|--|
| Parking fees and tolls (business portion only)..... | | |
| Gasoline, lube, oil..... | | |
| Repairs..... | | |
| Tires..... | | |
| Insurance..... | | |
| Miscellaneous..... | | |
| Auto license (other than personal property taxes)..... | | |
| Personal property taxes (based on car's value)..... | | |
| Interest (car loan) (for Schedule C, E & F)..... | | |
| Vehicle rent or lease payments..... | | |
| Inclusion amount (enter as positive)..... | | |
| Value of employer-provided vehicle on Form W-2 (2106)..... | | |

On the sheet entitled "Asset Acquisition" include the following information about your vehicle(s):

- * Make, model, year
- * purchase date
- * purchase price