

# REALTOR® Tax Structure Analysis

## LLC Schedule C vs LLC S-Corp

Single Filer, No Other Except Below, No Dependents

Business Income Statement	LLC as <u>Schedule C</u>	LLC as <u>S-Corporation</u>
Gross Income	180,000	180,000
Advertising, Sponsorships	(5,000)	(5,000)
Bank Charges	(60)	(60)
Credit Card Fees	(1,800)	(1,800)
Dues & Subscriptions	(850)	(850)
Insurance:	(6,500)	(6,500)
Interest Expense	(3,600)	(3,600)
Rent	(24,000)	(24,000)
Other Expenses	(38,190)	(38,190)
W-2 Payroll to Owner	<i>Not Allowed</i>	<b>(50,000)</b>
Payroll Employer Taxes	<i>None</i>	<b>(3,825)</b>
<b>Net Income from Business</b>	<b>100,000</b>	<b>46,175</b>
<u>Individual Tax Return</u>		
W-2 Wages	<b>None</b>	<b>50,000</b>
Net Income from Business	<b>100,000</b>	<b>46,175</b>
1/2 Self-Employment Tax	(7,065)	None
Standard Deduction (Single)	(12,950)	(12,950)
Qualified Business Income Deduction	(15,997) (a)	(9,235)
Taxable Income	<b>63,988</b>	<b>73,990</b>
Regular Income Tax	<b>9,692</b>	<b>11,892</b>
Self-Employment Tax	<b>14,129</b>	<b>None</b>
Payroll Taxes - Employee Withheld (7.65%)	<b>None</b>	<b>3,825</b>
Payroll Taxes - Employer Match (7.65%)	<b>None</b>	<b>3,825</b>
Total Tax	<b>23,821</b>	<b>19,542</b>
	Schedule C	S-Corp
<b>Savings: Difference in Total Tax</b>		<b>4,279</b>

(a) QBI is Reduced by 1/2 Self-Employment Tax

& Cannot Exceed 20% of Taxable Income Adjusted for QBID