

# Maximizing Tax Savings Roadmap to Tax-Free Wealth

**JOURNEY**  
TO  **ZERO**



# DISCLAIMER

**This presentation is purely educational.**

**It does not create a client relationship between any attendee and *SMEED CPA, Inc.***





**FINANCIAL FREEDOM  
ACADEMY**

## **MY AUTHORITY**

- ✓ **Serial Entrepreneur**
- ✓ **Master Tax Strategist**
- ✓ **Financial Coach**
- ✓ **Managing Partner, *SMEED CPA, Inc***
- ✓ **Co-Founder, *Financial Freedom Academy***
- ✓ ***Licensed in California and Texas***
- ✓ ***20 years of Tax Advisory Practice***



**Dr. Michael Uadiale, CPA, FCA, CGMA**

**How many of us really love to pay taxes?**  
**How many of us will like to legally,  
ethically and morally get to as close  
to zero taxes as possible?**

# INTERESTING FACTS ABOUT TAXES

8 Hour Day: 2 Hours, 40 Minutes

1 Year : 4 Months

Work Lifetime: 13 Years, 4 Months



# INTERESTING FACTS ABOUT TAXES



- ✓ Over **6,871** pages of tax law
- ✓ About **30** pages are devoted to raising taxes
- ✓ Remaining **6,841** pages devoted to tax reduction



# MY FAVORITE TAX QUOTE

***“Anyone may so arrange his affairs so that his taxes shall be as low as possible; he is not bound to choose that pattern which will best pay the Treasury. There is not even a patriotic duty to increase one’s taxes.”***

***~ Judge Learned Hand (1872 – 1961)***



# The Real Reason Most People Overpay on Taxes is not COMPLEXITY... It is the.....

**FEAR**

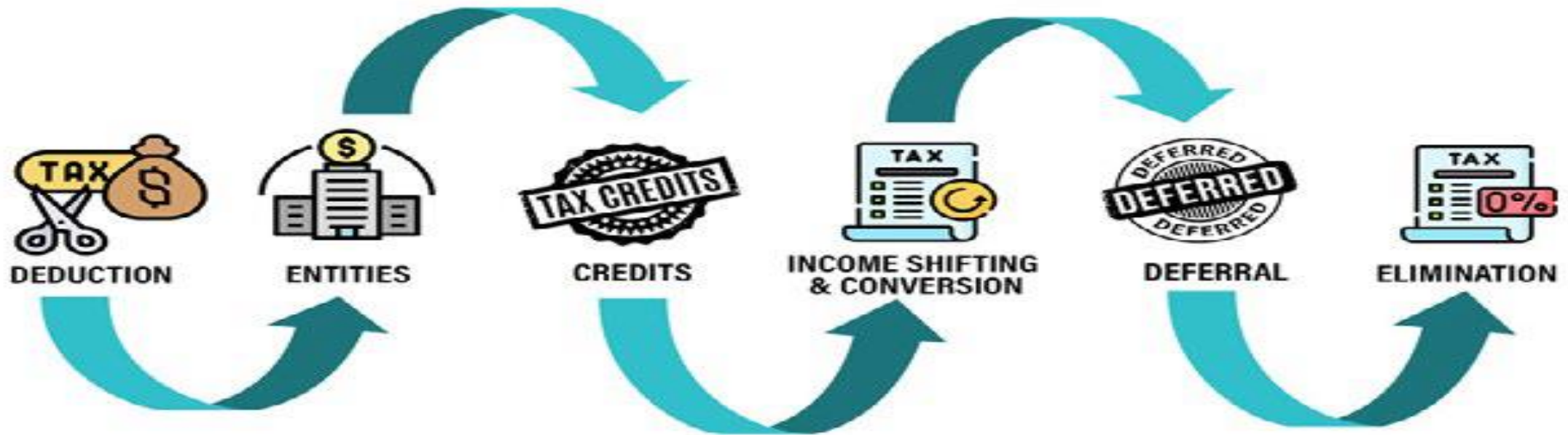
**Of**

- ✓ *Making Mistakes*
- ✓ *The IRS*
- ✓ *The Unknown*



# The Simple 6-Steps Tax Savings System

**D. E. C. I. D. E.**



# THE 6 STEPS TO A GOOD TAX STRATEGY



HERE'S HOW

**D**educt: Like a pro (easier than you think) legally

**E**ntities: Know structures that reduce taxes & protect your assets

**C**redits: Get the government to pay your taxes \$ 4 \$

**I**ncome Shifting : Move monies to lower tax brackets

**D**eferral: Use timing to your advantage and keep more \$\$

**E**limination: “Secrets” of the wealthy to zero taxes.

# B.O.N.D....

## THE GOLDEN RULE OF DEDUCTIONS

- ✓ Business Purpose
- ✓ Ordinary – Typical in occurrence, nature and amount
- ✓ Necessary – Likely to increase revenue or market share
- ✓ Document – Proof of expense



# TAX TIP #1

Tax  
Deductions



# #1 RULE

- ✓ To Change Your Taxes, Change Your Facts
- ✓ The question should not be "CAN" I deduct this, it ought to be "HOW" can I deduct this?



# Commonly Missed Deductions #1

## THE HOME OFFICE

The gift that  
keeps giving



# Commonly Missed Deductions #2

## TRAVELS

**Do you know how to  
make ALL your  
Travels 100%  
deductible?**



# Commonly Missed Deductions #3

- Qualifying Meals as Business Expense
- Definition of “**Lavish**” or “**Extravagant**”
- The “**Presence**” factor
- Separation of Meals from Entertainment
- Audit Proofing your Meals



# Commonly Missed Deductions #4

## Auto Expense Deductions



# Commonly Missed Deductions #4 – Auto Contd.

1. The 2 Main methods for Auto Deductions
2. The Method that puts more cash in your pocket
3. 5 Planning Tips to maximize your Tax Savings on Auto Deductions
4. Determine which of the 2 Methods You Qualify To Use
5. Lease or Buy – Which Is Better
6. Audit Proof Your Auto Deductions



## Auto Expense Deductions



# TAX TIP #2

**HOW?**

**IS YOUR BUSINESS SET UP AND ORGANIZED**



# ENTITIES MATTER BECAUSE.....

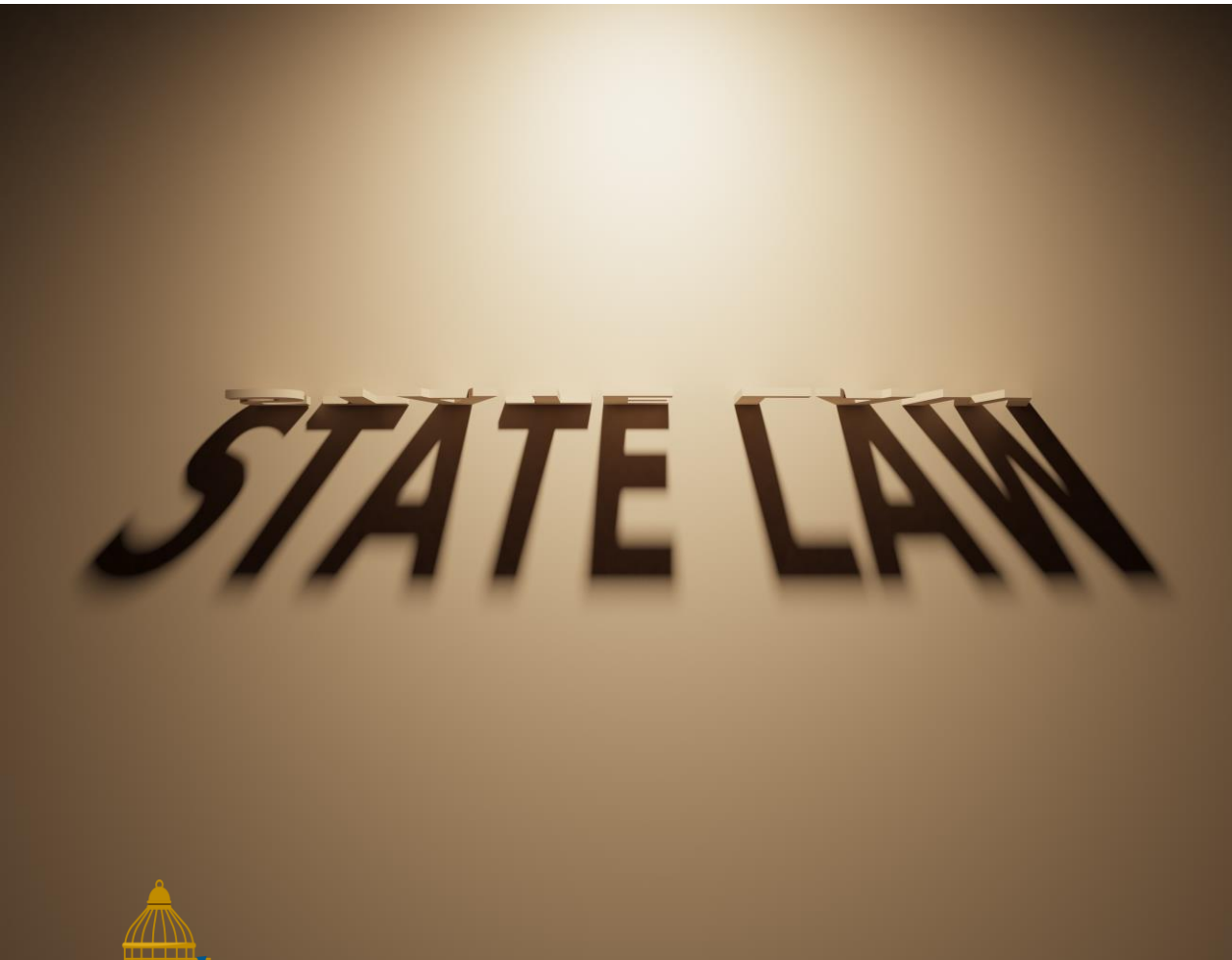


# TAX STRATEGIES REQUIRES GOOD ENTITIES

**IT AFFECTS THE AMOUNT  
OF TAXES YOU PAY EVERY  
YEAR**



# LEGAL ENTITIES vs. TAX ENTITIES



# 4 MOST COMMON ENTITY TYPES

## Sole Proprietorship



## Partnership



## Corporation



## Limited Liability Company



# #3

## CREDITS

- Credits are government **INCENTIVES** to indirectly control behavior
- Better than deductions
- Reduce your taxes dollar for dollar
- Some are refundable while some are not refundable



# Commonly Missed Tax Credits

- Work Opportunity Tax Credit
- Small Employer Health Insurance Credit
- Tip Tax Credit
- Research & Development Credit
- Opportunity Zone Credit (New)





## #4 INCOME SHIFTING

- Manage taxes down to lower tax brackets – Aged Parents, Kids
- Pay them as workers
- Give shares to parents

#5

# DEFERRAL

**WHAT'S  
YOUR PLAN  
FOR  
RETIREMENT?**

- ✓ BUY, BORROW & DIE (1031 EXCHANGE)
- ✓ RETIREMENT PLANNING
  - Profit-Sharing
  - Traditional 401K
  - Cash Balance Plan
  - 412 (e) 3 Plan

# #6

## ELIMINATE TAXES

**Type Entity – S.  
1202 QSBS**

**Sale of Business  
and Appreciated  
Properties**

**#7**  
**ADVANCED**  
**TAX**  
**STRATEGIES**

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**Cost Segregation**

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**HealthCare RTU**

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**Flex Advantage Strategy**

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**Charitable Remainder Trusts**

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**Family Office Management Company**

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**Revenue Stream Bifurcation**

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**Premium Financing**

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**Etc, etc, etc.**

# BONUS TAX TIP

## GET A BOOKKEEPER

- It reduces your tax return preparation bill
- Avoid **co-mingling** personal and business monies
- Makes for a very efficient tax audit if it occurs
- Finding tax-saving strategies becomes easier for your tax advisor
- Helps compliance with federal and local reporting
- Could help the detection of financial fraud
- Frees up your time to work on activities to grow your business



# BONUS TAX TIP (CONTD)

**HIRE A TAX ADVISOR**

**NOT**

**A TAX PREPARER**



# TAX PREPARER v. TAX ADVISOR

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## TAX PREPARER

1. Reactive not proactive
2. You ask the questions instead of the advisor
3. Preparer's answers are in a vacuum
4. Tax Preparer takes information and numbers and data dump into software (GIGO)
5. Planning is all deferral
6. No planning is done
7. Fee is hourly based not result driven

## TAX ADVISOR

1. Your wealth strategy guides the advisor
2. Advisor asks lots of questions to understand facts
3. Your goals are taken into consideration
4. Deductions are reviewed to determine missing deductions
5. Income is reviewed for opportunities to convert income to lower taxed income
6. Tax brackets reviewed for opportunities to reduce tax rate
7. Tax credits are reviewed for credits you may not be taking



# TAX PLANNING – THE BRIDGE TO WEALTH CREATION

## TODAY

- Set the dream



## LEGACY

- Preserve
- Protect



**TO GET ACCESS TO OUR MINI ONLINE VIDEO COURSES**  
**EMAIL “ZERO TAX SYSTEM”**

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# QUESTIONS TIME

