

THE SMALLBIZ BUILDER

Planning For Your Dreams



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PADGETT BUSINESS SERVICES®

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Padgett Business Services® Celebrates 50th Anniversary



We at PADGETT BUSINESS SERVICES® are celebrating 50 years of service! Being in business for 50 years is such an amazing accomplishment and we are honored to be a part of a brand that has stood the test of time for so long.

Walter Padgett launched PADGETT BUSINESS SERVICES® in 1966 after witnessing local business owners struggling with the financial aspects of running their companies. His idea was to help those small businesses thrive. Half a century later, PADGETT BUSINESS SERVICES® continues to run on those same principles.

With dual U.S. headquarters in Georgia and Massachusetts and a network of more than 300 offices across both the United States and Canada, PADGETT BUSINESS SERVICES® is credited with assisting tens of thousands of small businesses with their tax and compliance needs.

"We're doing something very unique in the market —we make tax and compliance routine so that our clients can stay focused on running their businesses," said Steve Rafsky, CEO of PADGETT BUSINESS SERVICES®. "One big reason we've been able to make such a name for ourselves in this market is because of the network of high-quality affiliates who make up PADGETT BUSINESS SERVICES®. Our secret lies in years of building client relationships and teaching our affiliates the best ways to do just that."

Thank you for being a part of what has made us so successful. We're so proud to have made it to 50 years and we look optimistically towards the next 50.

PADGETT BUSINESS SERVICES® not only provides tax-related services, but also assists businesses with management reporting, tax compliance and payroll services. It primarily serves small businesses with fewer than 20 employees, which accounts for about 90 percent of the country's small businesses.

PADGETT BUSINESS SERVICES

1313 Elmwood Ave.

(803) 731-4408

email@pbscolumbia.com

LUKE GREENE | www.pbscolumbia.com

How You Can Achieve Success Starting a Small Business

Starting a new business is a daunting task. Various studies have cited a failure rate of 50% for new businesses within their first year. With such a high-risk factor, prospective business owners need to do their research before launching their enterprise. Here are some helpful tips for those considering a new business.

Play to your strengths. Focus on what you do best and use other resources to cover areas you're lacking in. For example, if you're strong in marketing, but lack financial knowledge, don't try to do both – both are likely to suffer. Instead, concentrate your efforts on marketing and outsource your finances to another employee or a professional service, such as Padgett.

This piece of advice applies not only to your role in the business, but also to the business itself. Focus on what your business does best and focus on attracting customers who need that specific service.

Have a marketing plan. You may have the best product or service out there, but if no one knows what you're offering or why they should choose your business over your competitors, it may be difficult for your business to be profitable. Marketing plans can sound intimidating, but they're simply the documentation and planning of your goals to help advertise your company.

Spend your money carefully. For business success, your funds need to go towards either creating profits or decreasing costs. Carefully consider every purchase before committing, and assess what it'll bring to the company now. For example, while you may have plans that'll eventually require the best graphics program, the middle-range product will do just fine in the meantime. Keep in mind that technology is constantly changing, so it's probably best to save the money on the graphics package for now until you absolutely need a better program.

Contact your local Padgett Office today so that we can help your small business succeed!

Reporting Rental Income

Most income from real estate rental activities is not subject to self-employment tax. However, if significant services are provided, the activity is conducted as a business for profit. The sole proprietor then must report the income and expenses on Schedule C or F and must pay self-employment tax on the net profit. Examples include hotel rooms, boarding houses, and farm rentals where the owner materially participates in the activity. The rental of personal property may be subject to self-employment tax if the individual is in the business of renting personal property. For example, stores that rent machinery and car rental services would use Schedule C and would pay self-employment tax. Individuals not in the business of renting personal property would report income and expenses directly on Form 1040.

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is dedicated to meeting the compliance, profit & financial government reporting and payroll needs of businesses with fewer than 20 employees in the retail and service sector of the economy. This publication suggests general business concepts that may be appropriate in certain situations. It is designed to provide complete and accurate information to the reader. However, because of the complexities of the tax law and the necessity of determining whether the material discussed herein is appropriate to your business, it is important you seek advice from your Padgett office before implementing any of the concepts suggested in this newsletter.

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