

Setting the Pace for Success: Tax Efficiency and Asset Protection Strategies

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Who am I?

- 20+ years in production, consulting, timing/scoring, and directing mass endurance events
- President of HAL Sports
- Founder and Chair of the Fetal Health Foundation
- Former (15 years) Board Member and Treasurer of Running USA
- Professional event announcer/live event host, and voiceover artist
- Former partner in Venture Capital
- Still hold CPA
- Husband to my beautiful wife, father to identical twins (graduating college this year), and 80's trivia lover



Disclaimer

The presentation today should not be construed as legal or tax advice for your specific situation. You should always seek counsel from a tax and asset protection specialist who can best advise you on your situation



Let's talk about tax baby, let's talk about you and your money

- Forms of business entities
 - Sole Proprietorship (risky!!!)
 - Partnerships (risky!!!)
 - Limited Liability Company (LLCs)
 - Corporations (C-Corp and S-Corps)
- The right business entity can save you thousands in taxes. We are going to focus on LLCs and S-Corps



Understanding an LLC

- Pass through taxation
- Limited liability
- Flexible management
- Reduced compliance requirements
- Flexibility in profit distribution
- This is a type of business entity formed at the state level

Understanding a S-Corporation

- Pass through taxation
- Limited liability
- TAX SAVINGS!!!!!!
 - Savings on self-employment tax
 - Tax-free fringe benefits
 - Deductible Losses
- Whether you are a corporation or LLC, an S-Corp is not a legal entity, but a designation under IRS tax law.
- You can be a corporation or LLC and elect to be an S-Corp depending upon your situation

Self Employment Tax Savings

LLC pass through without S-Corp

Net Profit	\$100,000
Salary	\$40,000
SE Tax (on \$100K)	\$15,300

S-Corp

Net Profit	\$100,000
Addl deductions*	\$20,000
Salary (reasonable)	\$40,000
Tax on Salary	\$6,120
Adjusted Profit	\$33,880 (no SE Tax)
SAVED	\$9,180 in tax!!!!

Additional Advantages of an S-Corp

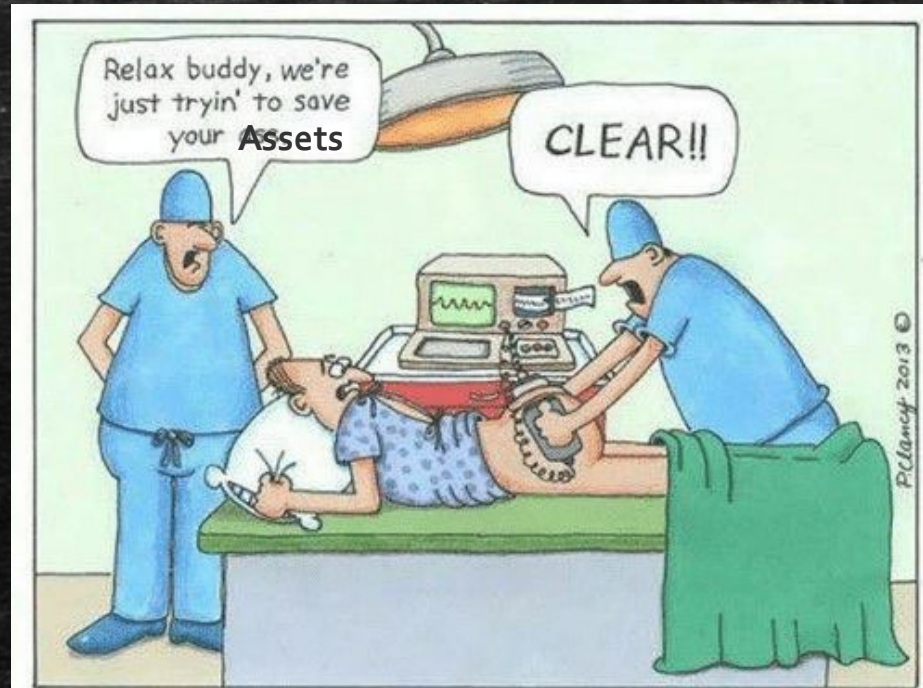


- Employees who are also shareholders can participate in fringe benefits (i.e. Health and life without them being taxable income)
- Hire your child
- Rent your home to your s-corp or write off areas of use
- Corporate meetings at your home (limited)

Additional Tax Savings

- 199A Deduction (AKA Qualified Business Income Deduction)
 - Can be as much as 20% of income
- Vehicle Expenses (mileage rate or actual – keep track of both)
- Travel Expenses
- Cell, Internet, Etc.
- Section 179 – allows you to take an immediate deduction for business-related depreciable assets up to \$1,160,00 for 2023 (and buy, pay later)
- SEP IRAs also have higher contribution limits (up to \$66,000 in 2023 and up to \$69,000 in 2024) than Roth IRAs (\$6,500 in 2023, \$7,000 in 2024) – note there are limitations to amount based on compensation.

Cover Your A\$\$-ETS (Protect Your Assets)



You'll thank him in the end.

Understanding an Asset Protection Plan

What is it?

- Asset protection refers to the legal strategies and measures taken to safeguard yours and your business assets from lawsuits and creditors.
- It involves protecting tangible and intangible assets, such as property, equipment, intellectual property, and financial resources.

Why is it important?

- Protecting assets is crucial for ensuring the long-term viability and success of your business and your livelihood.
- It helps minimize the risk of financial loss, bankruptcy, and disruption
- By safeguarding assets, you can maintain your financial stability, reputation, and competitive advantage.

What are your risks

- Injury lawsuits
- Employment-contractor lawsuits
- Product liability lawsuits
- Creditors



How to protect

- Insurance
 - General Liability, Umbrella/professional liability policies
- Asset Segregation
 - Form of business entity matters
 - Separate personal and business assets using legal entities and trusts
 - Wyoming LLC's and Trusts, off-shore (cook-islands)
 - Maintain separate bank, financial, and business transactions
- Document everything (contracts, operating agreements, bylaws, trusts documentation)

Example of Using Trust and Business Entities

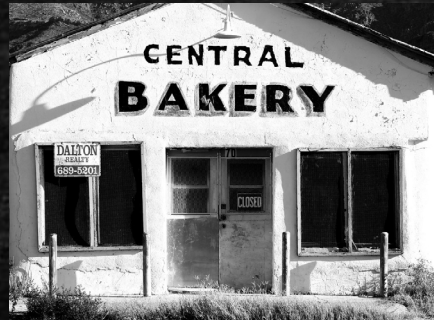
Active



Passive
Non-Risk



Your Business



Risk
(Real Estate)



Key Takeaways

We all work hard in the event industry so with proper planning you can maximize your earnings and safeguard your personal and business assets.

Tax Planning

- Selecting the proper business entity can put thousands of dollars back into your pocket
- Take advantage of tax laws!

Asset Protection

- Never assume you can't ever be sued! Just the cost of litigation can throw you into bankruptcy
- Proper planning and re-examination can give you peace of mind and protect you, your family, and all your hard work.

THANK YOU!



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