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## Tax Tips for Small Business Owners

If you are running your own small business, you should be well versed with some tax benefits for which you may be eligible. The IRS encourages you to claim for these benefits and use the tools and resources the agency has made available for you.

IRS Commissioner for Small Business and Self-employed Division, Faris Fink said, “When you’re running a business, you don’t need to be a tax expert, too. But you do need some basics to stay tax compliant so your business can thrive. There are many tax credits and deductions currently available. So now is a good time to learn about the tools and services the IRS offers.”

Two tax benefits specifically applicable to small business owners are the small business health care tax credit and the faster write-offs on certain capital expenditures.

The small business healthcare tax credit allows small business owners and small tax-exempt organizations provide health care insurance coverage to their workers for the first time or maintain the coverage that already exists. This is specifically for lower and moderate income workers. If you require more information on this tax benefit, go to the [Affordable Care Act](#)

page on the IRS website, [www.irs.gov](http://www.irs.gov).

Did you know that there is another way to write off the cost of your capital expenses other than depreciation over a few years? This provision is given to small business owners who purchase new equipment and property for their business. You are allowed to make deductions on the cost of most or all of these purchases in your 2011 tax returns. Use Form 4562 to make your claims. Special rules and limitations apply. Go to the IRS website page on [Instructions to Form 4562, Publication 946](#) and [Revenue Procedure 2011-26](#) for more details.

The Small Business Tax Center is found on the IRS website at <http://www.irs.gov/smallbiz> and has resources and information on what the IRS offers to small business owners like the Virtual Small Business Tax Workshop, a downloadable tax calendar, common forms and their instructions and help on everything from how to get an Employer Identification Number (EIN) online to how to deal with the IRS if your business becomes the subject of an audit.