



Module 13 Small Business Taxes

PARTICIPANT GUIDE

MONEY SMART for Small Business

The Federal Deposit Insurance Corporation (FDIC) is an independent agency created by Congress to maintain stability and public confidence in the nation's financial system. One way we do that is by providing free, objective financial education materials, including this participant guide. For more information about our family of Money Smart products, visit [fdic.gov/moneysmart](https://www.fdic.gov/moneysmart).

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Welcome

Welcome to the FDIC and SBA's Money Smart for Small Business! This training is on **Small Business Taxes**.

Participant Guide

Use this participant guide during and after training. You can write in it. It is yours to keep.

Learning Objectives

This training helps you understand small business tax requirements and improve your management of tax responsibilities at the federal, state, and local levels.

After completing this module, you will feel more confident and prepared to meet your tax obligations effectively and stay compliant.

As a result of completing this module, you will be able to:

- Identify your tax responsibility as a small business owner
- Describe the different types of small business taxes
- Identify the correct tax filing forms for your business
- Manage cash flow to meet tax obligations, including saving for any taxes owed
- Get information and other help on taxes

Pre-Survey

Please take ten minutes to complete the pre-survey found at the back of this participant guide.

In part 1, circle the number that shows how much you agree with each statement.

In part 2, answer the questions about today's training topics.

After the training, you will revisit this survey to see what you have learned.





Section 1: Taxes and Small Business

We will discuss:

- The different types of small business taxes
- Identifying your tax responsibility as a small business owner

About Small Business Taxes

Taxes are mandatory payments individuals and businesses must pay to fund government operations, programs, and essential public services, such as infrastructure, schools, public safety, transportation, and assistance programs. Businesses and business owners pay taxes at the federal level, and often at the state and local levels as well.

The taxes you pay and the forms you use to file state and local taxes will depend on your business structure, location, and specific tax obligations. For state and local tax information and forms, visit [usa.gov/state-taxes](https://www.irs.gov/state-taxes) to find listings of state tax agencies and local government websites.

Business Structure Overview

| Business Structure | Description | Type of Taxation |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Sole Proprietorship | The simplest business structure where the business and owner are legally the same entity | Pass-through |
| Partnership | A business structure in which two or more individuals share ownership. This business structure includes general partnerships and limited liability partnerships. | Pass-through |
| Limited Liability Company (LLC) | A hybrid business structure that combines elements of partnerships and corporations | Pass-through |
| C-Corporation | A legal entity separate from its owners; the corporation pays corporate income tax on profits, and shareholders pay personal income tax on dividends received | Double taxation |
| S-Corporation | A special type of corporation that offers pass-through taxation while potentially providing protection from personal liability | Pass-through |

Note that some business structures—limited liability partnerships, LLCs, C-corporations, and S-corporations—offer limited liability protection for owners. However, this protection is not guaranteed. If the business fails to maintain proper separation between personal and business finances or engages in misconduct, a court may “pierce the corporate veil,” making the owners personally liable for business debts.



How do governments at the federal, state, and local levels determine how much in taxes your business owes?

Taxes owed by small businesses can be determined based on:

- **Income:** Taxes can be based on a percentage of the net income of the business. Depending on how your business is structured, the taxes are either paid by the business itself, or by the owners. Some jurisdictions charge each corporation a minimum tax each year regardless of whether it made any profit.
- **Employee pay:** If your business has employees, you must pay employment taxes. These taxes are typically calculated based on employee pay.
- **Industry and business activities:** Excise taxes apply to specific types of businesses and activities, such as manufacturing or selling certain products, using certain kinds of equipment, or receiving payment for certain services. If you operate an indoor tanning salon, for example, excise taxes may apply to on your revenue from indoor tanning services. The excise tax would not apply to other revenue from the salon, such as from selling lotions.

Small businesses also facilitate payment of taxes owed by others.

- **Employee tax withholdings** are portions of employee wages that businesses retain and remit to federal, state, and local governments on behalf of their employees. These withholdings cover the taxes that employees owe.
- **Sales tax** is a consumption tax imposed by state and local governments on the sale of certain goods and services. The state or local government charges the sales tax to the customer based on the amount of the purchase. The business must collect the sales tax from the customer at the time of the sale and remit it to the appropriate tax authorities. To avoid costly penalties, businesses must pay close attention to the government's sales tax collection rules, including the timely remittance of the collected sales tax money.

In addition, small businesses that are C-corporations report dividend payments. C-corporations may distribute company earnings to their owners, called "shareholders," in the form of dividend payments. C-corporations must report dividend payments to the IRS. Shareholders then pay tax based on a percentage of the dividends they receive. C-corporations may also need to report dividend payments to state and local tax authorities.

Knowing and Managing Your Tax Responsibilities

As a small business owner, you are responsible for paying the taxes you owe. Doing so means you must identify which taxes apply to your business.

You must also record information needed to calculate what you owe in taxes. This may include:

- Data on revenue, costs, and expenses.
- Payroll information.
- Records on transactions that are subject to excise taxes.

There are many online resources to help you identify your tax responsibilities and support planning for tax compliance.



- The Internal Revenue Service’s (IRS’s) website at [irs.gov](https://www.irs.gov) has information and forms for federal taxes. Examples relevant to small business include:
 - The Small Business and Self-Employed Tax Center webpage links to numerous relevant resources. To find this webpage search [irs.gov](https://www.irs.gov) for ‘small business.’ The direct URL is <https://www.irs.gov/businesses/small-businesses-self-employed>.
 - IRS Publication 583, Starting a Business and Keeping Records, provides basic federal tax information for people who are starting a business. It also provides information on keeping records and illustrates a recordkeeping system. To find this publication search [irs.gov](https://www.irs.gov) for ‘583.’
 - IRS Publication, 334, Tax Guide for Small Business, helps sole proprietors understand and meet their tax responsibilities. To find this publication search [irs.gov](https://www.irs.gov) for ‘334.’
- For state and local tax information and forms, visit [usa.gov/state-taxes](https://www.usa.gov/state-taxes) to find listings of state tax agencies and local government websites.
- The U.S. Small Business Administration’s (SBA’s) business guide includes sections on how to ‘Get Federal and State Tax ID Numbers’ and ‘Pay Taxes.’ In addition, MySBALearning platform discusses taxes in Journey 4: Your Business Financial Strategy. Visit [sba.gov](https://www.sba.gov) to explore these and other resources.



What small business resources or practices have you found helpful?

Ensure you have the appropriate **Taxpayer Identification Number (TIN)** for your business.

The IRS and state and local tax authorities use TINs to identify taxpayers in the U.S. They use TINs to process your tax returns and apply payments to the correct account.

The most common types of TINs for small businesses and self-employed people are:

- Employer Identification Number (EIN)
- Social Security number (SSN)
- Individual Taxpayer Identification Number (ITIN)

Your business must have an EIN if:

- Has employees
- Operates as a corporation or partnership
- Has a qualified retirement plan
- Files employment tax returns
- You maintain a corporate shield separating your personal and business finances

Business owners also use EINs to maintain a “corporate shield” separating personal and business finances. Doing so protects their personal assets from business liabilities.

Use an SSN if your business is a sole-proprietorship or a limited liability company with a single owner and you are not required to have an EIN.

Use an ITIN if you are not filing with an EIN and are not eligible for an SSN.



Try It: Navigating Taxpayer Identification Numbers

Read the scenario and complete the table.

Scenario: Members of the Union County Small Business Council

Four members of the Union County Small Business Council have gathered for their monthly meeting. The council is a group of entrepreneurs who meet to share information and help each other reach their small business goals. This month, they are discussing taxes. They start by discussing which TIN they should use.

- Sabrina creates custom flies for fishing. She is a sole proprietor with no employees. She has U.S. citizenship and does not have an EIN.
- Marcus recently formed a partnership with his brother. They clean and maintain grain elevators. They have no other employees and handle the day-to-day operations themselves.
- Chloe owns and operates a foundry, casting metal for tool parts. Her business is a single-member limited liability company (LLC) for which she is the only owner. She has three employees.
- Ed is a handyman. He is a foreign national, legally residing in the U.S. He does not qualify for an SSN.

Indicate which TIN each person should use for their business taxes and why.

| Person | SSN, EIN, or ITIN | Reason |
|---------|-------------------|--------|
| Sabrina | | |
| Marcus | | |
| Chloe | | |
| Ed | | |



Federal Taxes

The general types of business taxes at the federal level are:

- Income taxes
- Employment taxes
- Self-employment taxes
- Excise taxes

Federal income taxes are based on the net profit of your business. Net profit is determined by subtracting your business's expenses from its income.

| Pass-Through Taxation | C-corporation Taxation |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taxes paid on owners' personal tax returns for: <ul style="list-style-type: none">▪ Sole proprietorships▪ Partnerships▪ Limited liability companies (LLCs)▪ S-corporations | Double taxation: <ul style="list-style-type: none">▪ Taxes paid on corporate tax returns for C-corporations and▪ Dividend distributions to owners also taxed on the owner's tax return |

Estimated taxes are periodic advance payments of income tax.

- If you are filing as a sole proprietor, partner, S-corporation shareholder, or self-employed individual, you generally must make estimated tax payments throughout the year if you expect to owe tax of \$1,000 or more when you file your return.
- A corporation that expects to owe tax of \$500 or more when filing its return must make estimated tax payments.

Businesses with employees pay certain employment taxes, also known as payroll taxes.

- **Federal Income Tax Withholding:** Employers must withhold federal income tax from employees' wages based on employees' choices in Form W-4.
- **Social Security and Medicare Taxes:** Employers and employees both pay Social Security and Medicare taxes. Employers withhold these taxes from employees' wages and also pay a matching amount.
- **Additional Medicare Tax:** Employers must withhold an additional 0.9% Medicare tax on wages exceeding \$200,000 per year. This tax is only withheld from the employee's wages and does not require an employer match.
- **Federal Unemployment Tax (FUTA):** Employers are generally responsible for paying the FUTA, which funds federal unemployment programs. This tax is paid entirely by the employer and is not withheld from employees' wages, except in a few states.

Self-employment taxes apply to some small businesses. If you conduct trade or business as a sole proprietor, independent contractor, or elect to be taxed as a sole proprietor (like a single-member LLC), you are generally considered self-employed. Self-employment tax includes Social Security and Medicare taxes. The self-employment tax is due each quarter on net earnings over a certain threshold. Self-employment tax is separate from income tax. You pay both because you cover the employer and employee share of Social Security and Medicare. You can deduct half of your self-employment taxes as a business expense on your tax return.

Excise taxes are charged on the manufacture or sale of certain products, operation of specific businesses, or use of certain equipment.



State and Local Taxes

In addition to federal taxes, you will likely pay state and local taxes. Each state and locality has its own tax laws. Visit [usa.gov/state-taxes](https://www.irs.gov/state-taxes) to find listings of state tax agencies and local government websites.

Types of state and local taxes include:

- **Income Tax** – Levied on business net income
- **Franchise Tax** – Imposed on out-of-state businesses for privilege of operating within a state
- **Sales Tax** – Based on sale of taxable products and services; Collected from customer and remitted to appropriate tax authorities
- **Property Tax** – Tax on tangible property, such as cars and equipment
- **State Unemployment Tax** – Paid by employers to fund state unemployment benefits in a state
- **Special Taxing Districts** – Designated areas where additional taxes are levied
- **Excise Taxes** – Apply to specific business activities and types of businesses
- **Permits and Licenses** – Require initial registration and renewal, along with associated payments





Section 2: Federal Tax Forms

We will discuss the federal tax forms that apply to your business.

Introduction to Federal Tax Forms

As a small business owner, it's important to know which tax forms you need to file federal taxes. Your business structure, as a sole proprietorship, partnership, or other type of business, can determine which forms you use to file taxes. The Internal Revenue Service's website at [irs.gov](https://www.irs.gov) is the main place to find information and forms for federal taxes. The [irs.gov](https://www.irs.gov) page on 'Small business and self-employed tax center' is a great place to start. Find it by searching the [irs.gov](https://www.irs.gov) for 'small business.'

Federal Income Tax Forms

| Business Structure | Federal Income Tax Forms | Notes |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Sole Proprietorship | Schedule C or Schedule C-EZ, Profit and Loss from Business, filed as part of owner's personal tax return (Form 1040) | |
| Partnership | Form 1065, U.S. Return of Partnership Income Schedule K-1 used by partners to prepare personal tax returns (Form 1040) | |
| Limited Liability Company (LLC) | Depends on whether the LLC elects to be taxed as a sole proprietorship, partnership, C-corporation, or S-corporation | |
| C-Corporation | Form 1120, U.S. Corporation Income Tax Return Form 1099-DIV, Dividends and Distributions | |
| S-Corporation | IRS Form 1120-S, Income Tax Return for an S-Corporation Schedule K-1 used by shareholders to prepare personal tax returns (Form 1040) | |



Federal Quarterly Estimated Tax Forms

Estimated taxes are advance payments of income tax. They are due quarterly, typically on April 15, June 15, September 15, and then on January 15 of the following year.

If you are filing as a sole proprietor, partner, S-corporation shareholder, or self-employed individual, you generally must make estimated tax payments if you expect to owe tax of \$1,000 or more when you file your return.

- These business owners use IRS Form 1040-ES, Estimated Tax for Individuals, to calculate and remit their estimated taxes.
- The form includes a worksheet to help figure out the estimated tax amount based on expected income, deductions, and credits.

C-corporations that expect to owe tax of \$500 or more when they file their return must make estimated tax payments.

- C-corporations use Form 1120-W, Estimated Tax for Corporations, to calculate their estimated tax payments.
- C-corporations then remit payment of estimated tax to the federal government using the Electronic Federal Tax Payment System (EFTPS). This system allows businesses to make tax payments online or by phone. Alternatively, they can use Form 8109-B, Federal Tax Deposit Coupon, if they prefer to make payments by mail.

Why is it important to make estimated tax payments?

Employment Tax Forms

If you have employees, you need two federal employment tax forms:

- IRS Form 940, Employers Annual Federal Unemployment (FUTA) Tax Return. You file this form with the IRS annually to report the amount of federal unemployment tax for your employees.
- IRS Form 941, Employers Quarterly Federal Tax Return. Employers use this form to report employment taxes, withholding amounts, deposit amounts, and amounts due to the IRS.

Your state may have additional employment taxes, forms, and payment processes.



Other Tax Forms

In addition to federal income and employment tax forms, there are other forms you may need to be aware of if you hire others to do work for you.

| Form | Purpose |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| USCIS Form I-9, Employment Eligibility Verification | Verifies identity and authorization to work in the United States |
| IRS Form W-4, Employee Withholding Allowance Certificate | Completed by employee and used by employer to withhold the correct amount |
| IRS Form W-2, Wage and Tax Statement | Report an employee's annual wages and the amount of taxes withheld from their paycheck |
| IRS Form 1099-NEC, Nonemployee Compensation | Reports payments of \$600 or more made to nonemployees such as independent contractors, freelancers, or consultants—for services |
| IRS Form 1099-MISC, Miscellaneous Income | Reports certain types of payments to individuals, partnerships, or other entities not classified as employees, including rents, prizes, and awards |

Try It: Finding the Right Tax Forms

Read the scenario and answer the questions.

Scenario: Members of the Union County Small Business Council Find the Right Tax Forms

Four members of the Union County Small Business Council are discussing business taxes. They wonder which federal tax forms to use for their situation.

- Business situation: Sole proprietorship reporting payments to nonemployees. Sabrina creates custom flies for fishing. She paid a friend with expertise in bookkeeping \$700 to help her buy accounting software and start using it for recordkeeping and financial management of her business. She needs to report the payment to the IRS and to the friend so it can be properly included in the friend's tax return. Which form does she need to use?

- Business situation: Partnership reporting a partner's information needed for personal taxes. Marcus recently formed a partnership with his brother. They clean and maintain grain elevators. Marcus knows they need to submit Form 1065, U.S. Return of Partnership Income. But which form reports each partner's share of income, deductions, gains, and losses for inclusion in their personal tax returns?



- Business situation: LLC reporting employment tax information. Chloe owns and operates a foundry, casting metal for tool parts. Her business is a single-member limited liability company for which she is the only owner. She has three employees. Which form should her LLC use to report employment taxes, withholding amounts, deposit amounts, and amounts due to the IRS?

- Business situation: Sole proprietor filing personal taxes. Ed is a handyman. His handyman business is a sole proprietorship. Which schedule should he include in his personal tax return, which he will file using Form 1040?





Section 3: Tax Tips

We will discuss:

- Managing cash flow to meet tax obligations
- Getting information and other help on taxes

Money Management and Taxes

Managing your taxes effectively is important for the financial health of your business. In this section, we will discuss tips for managing your money to meet tax obligations, tools and resources available to help you with taxes, and the importance of professional support.

Taxes and Cash Flow

Why do you think managing cash flow is important for meeting tax obligations?

Setting Money Aside for Taxes

It's important to set aside money regularly to cover your tax obligations. Tips on saving for taxes include:

- For income taxes, estimate your tax liability early in the year and set aside a portion of your income each month.
- For franchise or property taxes, use prior year data to estimate what you will owe for the current year.
- For sales tax, set up a separate bank account to reserve all sales taxes collected from customers so that you have the cash to remit to the appropriate tax authorities when it is due.

What are some additional strategies you can use to save for taxes?



Tools and Resources for Small Business Taxes

Here are some of the major types of tools and resources you can use to manage your business taxes:

- Accounting software can help you track income and expenses, generate financial reports, and calculate tax liabilities.
- Online resources can help you understand and manage your taxes.
- Professional support from bookkeepers and tax professionals can be invaluable. They can help you navigate complex tax regulations, help you ensure compliance, and provide advice on tax planning.

What specific tools and resources do you use or know about that can help with managing taxes?

Key online resources include:

- The IRS website at [irs.gov](https://www.irs.gov) provides comprehensive information on federal taxes, while state and local government websites offer details on state and local taxes.
- For state and local tax information and forms, visit [usa.gov/state-taxes](https://www.usa.gov/state-taxes) to find listings of state tax agencies and local government websites.
- The U.S. Small Business Administration (SBA) business guide includes sections on how to ‘Get Federal and State Tax ID Numbers’ and ‘Pay Taxes.’ In addition, MySBALearning platform discusses taxes in Journey 4: Your Business Financial Strategy. Visit [sba.gov](https://www.sba.gov) to explore these and other resources.



Professionals that can help you with managing your small business finances include:

- Bookkeepers – Maintain business financial records on periodic basis
- Accountants/CPAs – Record, analyze, and interpret financial information; ensure compliance; and prepare financial statements
- Tax Attorneys – Uses knowledge of the tax code, accounting rules, and contract law to help clients with tax situations

When shopping around for help from a financial professional, consider their experience with small businesses similar to yours, knowledge of current tax laws and regulations, communication skills, and references from other business owners.



Apply It: Planning to Meet My Tax Obligations

Complete the worksheet to plan to meet your tax obligations.

Business Name: _____ Business Organization Structure: _____

Federal Taxes

| Type of Tax (Check if Required) | Required Form(s) | Frequency / Due Date(s) | Notes |
|---------------------------------|------------------|-------------------------|-------|
| Income Taxes | | | |
| Self-Employment Taxes | | | |
| Employment Taxes | | | |
| Estimated Taxes | | | |
| Excise Taxes | | | |
| Other: | | | |
| Other: | | | |



State and Local Taxes

| Type of Tax (Check if Required) | Required Form(s) | Frequency / Due Date(s) | Notes |
|---------------------------------|------------------|-------------------------|-------|
| Income Taxes | | | |
| Self-Employment Taxes | | | |
| Employment Taxes | | | |
| Estimated Taxes | | | |
| Excise Taxes | | | |
| Sales Taxes | | | |
| Franchise Taxes | | | |
| Property Taxes | | | |
| Permits and Licenses | | | |
| Other: | | | |
| Other: | | | |



Module Closing

You are more likely to act if you commit to taking action now. Write down what you intend to do based on today's training in your participant guide.

What is one goal you will pursue?

What first step will you take toward your goal?

How will you get and give support to other participants?

For More Information

The Internal Revenue Service's website ([irs.gov](https://www.irs.gov)) is the main place to find information and forms for federal taxes. Examples relevant to small business include:

- The Small Business and Self-Employed Tax Center webpage links to numerous relevant resources. To find the webpage search [irs.gov](https://www.irs.gov) for 'small business.'
- IRS Publication 583, Starting a Business and Keeping Records, provides basic federal tax information for people who are starting a business. It also provides information on keeping records and illustrates a recordkeeping system. To find the publication search [irs.gov](https://www.irs.gov) for '583.'
- IRS Publication, 334, Tax Guide for Small Business, helps sole proprietors understand and meet their tax responsibilities. To find the publication search [irs.gov](https://www.irs.gov) for '334.'
- The Manage Taxes for Your Gig Work webpage outlines how people with self-employment income of \$400 or more should keep records, pay estimated taxes, and file. Get there by searching [irs.gov](https://www.irs.gov) for 'gig work.'

For state and local tax information and forms, visit [usa.gov/state-taxes](https://www.usa.gov/state-taxes) to find listings of state tax agencies and local government websites.

The U.S. Small Business Administration's (SBA's) business guide includes sections on 'Get Federal and State Tax ID Numbers' and 'Pay Taxes.' In addition, MySBALearning platform discusses taxes in Journey 4: Your Business Financial Strategy. Visit [sba.gov](https://www.sba.gov) to explore these and other resources.

You and other training participants can support each other after the training. Exchange contact information and set up plans to stay in touch, one-on-one or as part of a learning community.



Also explore resources that are specific to your state or locality.

The **Federal Deposit Insurance Corporation (FDIC)** preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least \$250,000; identifying, monitoring, and addressing risks to the Deposit Insurance Fund; and by limiting the effect on the economy and the financial system when a bank or thrift institution fails.

Visit the Small Business Topics webpage at fdic.gov/consumer-resource-center/small-business-topics to learn about a wide range of resources and tools for consumers and bankers that help plan, launch, manage and grow small business initiatives in their communities.

The FDIC also encourages bank lending to creditworthy small businesses. Small businesses that may have an inquiry or concern about policies, financial institutions, and referrals to other government agencies can contact the FDIC Small Business Hotline at 1-855-FDIC-BIZ (1-855-334-2249).

Visit fdic.gov/doing-business-fdic for information on doing business with the FDIC.

The **U.S. Small Business Administration (SBA)** provides resources, answers to frequently asked questions and more in support of small business owners. Visit sba.gov to explore the agency's learning platform, business guide, and other resources. Contact SBA's Answer Desk at 1-800-827-5722 or answerdesk@sba.gov for general inquiries.

SBA district offices offer help planning, starting, or growing your small business. Find your SBA district office by visiting sba.gov and searching for 'district office.'

The **U.S. Financial Literacy and Education Commission** hosts mymoney.gov, the federal government's one-stop website for financial education resources from more than 20 federal agencies.

Glossary

| Term | Definition |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accounting Software | A digital tool that helps businesses track income and expenses, generate financial reports, and support tax calculations and preparation. |
| Bookkeeper | A financial professional who maintains a business's financial records, often on a daily, weekly, or monthly basis. |
| Business License | A permit issued by a local, state or federal government agency that allows a business to operate legally in a specific location or industry. |
| C-Corporation (C-Corp) | A legal business structure that is taxed separately from its owners and can have unlimited shareholders. It pays corporate income taxes on profits and may also result in double taxation when profits are distributed to shareholders as dividends. |



| Term | Definition |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cash Flow | The movement of money into and out of a business. Managing cash flow means ensuring there is enough money to cover expenses, including taxes. |
| Certified Public Accountant (CPA) | A licensed accountant with specialized education and training in areas like taxes and auditing. CPAs can represent clients before the IRS. |
| DBA (Doing Business As) | A permit that allows a business to operate under a name different from its legal name. Also called a fictitious business name permit. |
| Deduction | An expense that can be subtracted from income to reduce the amount of taxable income. |
| Double Taxation | When income is taxed twice—once at the corporate level and again at the shareholder level when dividends are paid. |
| Employer Identification Number (EIN) | A unique number assigned by the IRS to identify a business for tax purposes. Required for businesses with employees or certain legal structures. |
| Estimated Taxes | Quarterly payments made in advance to cover income tax liability, often required for self-employed individuals and businesses who expect to owe a certain amount when filing taxes. |
| Excise Tax | A tax on specific goods, services, or business activities, such as indoor tanning or heavy vehicle use. |
| Franchise Tax | A tax charged by some states for the privilege of doing business in that state, often based on business presence or sales volume. It is not related to owning a franchise. |
| Income Tax | A tax on the net profit of a business. Depending on the business structure, it may be paid by the business or passed through to the owners. |
| Independent Contractor | A person or business providing services to another entity under terms specified in a contract, not as an employee. |
| Individual Taxpayer Identification Number (ITIN) | A tax processing number issued by the IRS for individuals who are not eligible for a Social Security Number. |
| Limited Liability Company (LLC) | A business structure that combines features of partnerships and corporations. It typically offers liability protection and uses pass-through taxation. |
| Net Profit | The amount of money a business earns after subtracting all expenses from income. |
| Pass-Through Taxation | A tax structure where business profits are passed through to the owners' personal tax returns and taxed at the individual level. |
| Payroll Taxes | Taxes related to employee wages, including Social Security, Medicare, and unemployment taxes. |
| Professional License | A license required by some states for individuals in certain professions, such as electricians or cosmetologists. |



| Term | Definition |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property Tax | A tax imposed by state or local governments on tangible property owned by a business, such as vehicles or equipment. |
| Sales Tax | A tax collected from customers at the point of sale and remitted to the appropriate state or local tax authority. |
| Self-Employment Tax | A tax paid by self-employed individuals to cover Social Security and Medicare contributions. |
| Social Security Number (SSN) | A nine-digit number issued by the U.S. government to individuals, primarily used to track earnings and determine eligibility for Social Security benefits. |
| Sole Proprietorship | A simple business structure where the business and the owner are legally the same. The owner reports business income and expenses on their personal tax return. |
| S-Corporation (S-Corp) | A special type of corporation that allows profits to pass through to the owners' personal tax returns, avoiding corporate income tax. |
| Taxpayer Identification Number (TIN) | A number used by the IRS to identify taxpayers. Includes EINs, SSNs, and ITINs. |
| Withholding | The portion of an employee's wages that an employer deducts and sends to the government to cover the employee's tax obligations. |



Pre-Survey

This form will allow you and your instructor to see what you know about today's topics before the training.

Instructor: _____ Date: _____

Part 1. What Do You Know Before the Training?

Read the statements below and circle the number that shows how much you agree with each one.

| | Strongly disagree | Disagree | Agree | Strongly agree |
|----------------------------------------------------------------------|-------------------|----------|-------|----------------|
| Statement | | | | |
| 1. I can describe the different types of small business taxes. | | | | |
| 2. I can identify my tax responsibility as a small business owner. | | | | |
| 3. I can identify the federal tax forms that apply to your business. | | | | |
| 4. I can manage cash flow to meet tax obligations. | | | | |
| 5. I can get information and other help on taxes. | | | | |

Part 2. Questions on Today's Training Topics

Answer these questions.

- Taxes are the money individuals and businesses pay to support government programs and public services.
 True False It depends
- C-corporations use pass-through taxation.
 True False It depends
- For general partnerships, owners are exempt from making estimated tax payments.
 True False It depends
- Businesses with employees must use an employer identification number (EIN) as their taxpayer identification number (TIN).
 True False It depends
- To file business taxes, sole proprietors use:
 Schedule C
 Schedule K-1
 Form 1120
 All of the above



Post-Survey

This form will allow you and your instructor to see what you know about today's topics after the training.

Instructor: _____ Date: _____

Part 1. What Do You Know After the Training?

Read the statements below and circle the number that shows how much you agree with each one.

| | Strongly disagree | Disagree | Agree | Strongly agree |
|----------------------------------------------------------------------|-------------------|----------|-------|----------------|
| Statement | | | | |
| 1. I can describe the different types of small business taxes. | | | | |
| 2. I can identify my tax responsibility as a small business owner. | | | | |
| 3. I can identify the federal tax forms that apply to your business. | | | | |
| 4. I can manage cash flow to meet tax obligations. | | | | |
| 5. I can get information and other help on taxes. | | | | |

Part 2. Questions on Today's Training Topics

Answer these questions.

- Taxes are the money individuals and businesses pay to support government programs and public services.
 True False It depends
- C-corporations use pass-through taxation.
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- For general partnerships, owners are exempt from making estimated tax payments.
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 True False It depends
- To file business taxes, sole proprietors use:
 Schedule C
 Schedule K-1
 Form 1120
 All of the above



Evaluation Form

Please answer the following questions about this training.

1. Please indicate the degree to which you agree with each statement below about the training and supporting materials.

| Statement | Strongly agree | Agree | Neutral | Disagree | Strongly disagree |
|-----------------------------------------------------------------------------------------------------------------|----------------|-------|---------|----------|-------------------|
| a. The training content was clear. | | | | | |
| b. The training content was relevant to me as an entrepreneur. | | | | | |
| c. As a result of this training, I feel more capable of moving my business forward related to the module topic. | | | | | |
| d. The activities and discussions helped me learn. | | | | | |
| e. The PowerPoint slides helped me learn. | | | | | |
| f. The participant guide helped me learn. | | | | | |
| g. I will use the participant guide after the training. | | | | | |
| h. The training took a reasonable amount of time. | | | | | |

2. Please indicate the degree to which you agree with each statement below about the delivery of the training.

| Statement | Strongly agree | Agree | Neutral | Disagree | Strongly disagree |
|--------------------------------------------------------------------------------|----------------|-------|---------|----------|-------------------|
| a. The instructor was well-prepared. | | | | | |
| b. The instructor was knowledgeable. | | | | | |
| c. The instructor made the subject understandable. | | | | | |
| d. The instructor was engaging and cultivated a positive learning environment. | | | | | |
| e. The instructor encouraged questions. | | | | | |
| f. The participants had opportunities to share experiences and ideas. | | | | | |



