

MONEY 101 EDUCATION

6.31 - EXERCISE – Calculate Maria’s Schedule C to report her Business Income and Expenses

Maria Consuela, Social Security number 123-45-6789, needs to prepare her tax return.

She wants to start with her business – thus reporting her earnings and expenses related to her side gig as an exercise instructor.

She received two 1099’s – one from each club where she worked. She also kept a list of the cash payments she received during the year from private clients, although none of her private clients bothered to send her 1099.



Her income was:

1	1099 from her part-time job at Brooklyn Athletic Club	\$ 750.
2	1099 from her part-time job at Gleason’s Gym she received a 1099 for	\$ 3,240.
3	Training of Private clients - (no 1099 received)	\$ 6,500.

She believes that some of her sports/fitness expenses may be business expenses and thus tax deductible as they relate to her education and training or expenses as a fitness instructor.

She paid some expenses in cash and was careful to get a receipt. She paid some by check, and some were charged to her credit card, but the credit card bill was paid in full.

4	Her fitness club membership is \$85 a month	\$1,020.
5	Her softball team equipment	\$100.
6	Her softball team membership	\$250.
7	A professional training class she took in February to get her ACE certification (American Council on Exercise)	\$100.
8	A professional training class she took in July to get her NASM certification (National Association Sports Medicine)	\$400.
9	She subscribes to two fitness magazines. \$28 is paid in March and \$44 in November.	\$72.
10	She paid H&R Block in April of this year, to prepare her prior year tax return	\$139

Maria must report her business income and expenses on Schedule C, to determine her net income.

CAN YOU COMPLETE SCHEDULE C FOR MARIA THROUGH LINE 29?

FORMS NEEDED: IRS form 1040 - Schedule C – Profit and Loss from Business