

MARY KAY BUSINESS TAX REPORT
2020 TAX YEAR

Part I—Income

Gross Retail Sales (Including Sales Tax Collected)	\$ _____		
Sales to Other Consultants	\$ _____		
Sales of Supplies (Section 2)	\$ _____		
Less: Refunds to Customers		\$ _____	
Total Sales =			\$ _____

Part II—Cost of Goods Sold:

Inventory on January 1 at Cost	\$ _____		
Section I Purchased from Co. (incl. Sales tax)	\$ _____		
Section I Purchased other Cons. (w/tax)	\$ _____		
Section 2 Purchased from Co. (incl. Sales tax)	\$ _____		
Hostess Credit & non-recovered sales tax	\$ _____		
Less: Items withdrawn for personal use (at cost)		(\$ _____)	
Less: Inventory on Dec. 31 at cost		(\$ _____)	
Total Cost of Sales =			\$ _____

Part III—Other Income:

Recruiting Commissions	\$ _____		
Promotional Prizes and Awards	\$ _____		
Total =			\$ _____

Part IV—Other Expenses:

Advertising (Include Pref. Customer)	\$ _____		
Bad Debts (Reduce Sales)	\$ _____		
Business Insurance	\$ _____		
Business Interest	\$ _____		
Bank Charges	\$ _____		
Donations	\$ _____		
Dues and Subscriptions	\$ _____		
Freight/Postage	\$ _____		
Hostess Gifts (Excluding Section 2 items)	\$ _____		
Demo Products	\$ _____		
Legal and Professional Aid	\$ _____		
Printing	\$ _____		
Office Supplies and Expenses (Other than Sec. 2)	\$ _____		
Equipment or Room Rental	\$ _____		
Repairs and Maintenance	\$ _____		
Taxes and Licenses	\$ _____		
Travel (Air Fare/Car Rental/Parking/Taxi)	\$ _____		
Lodging/Meals and Entertainment (partially deductible)	\$ _____		
Labor Paid in Home	\$ _____		
Laundry and Cleaning for Out of Town Trips	\$ _____		
Workshops and Seminars:			
_____	\$ _____		
_____	\$ _____		
_____	\$ _____		
Miscellaneous Expenses (list on back)	\$ _____		
Auto Expenses (Breakdown on back)	\$ _____		
Total =			\$ _____



Fill in and Take to Your Tax Advisor

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Miscellaneous Expenses:
i.e Red Jacket \$ _____
 _____ \$ _____
 _____ \$ _____
Total = \$ _____

Auto Expenses:
 Total Miles Driven # _____
 Less Personal Miles (# _____)
 Total Business Mileage # _____ \$ _____
 *Check with your accountant for percentage.

Part V—Business Use of Residence:

Rent or Depreciation \$ _____
 Mortgage Interest \$ _____
 Real Estate Taxes (City and County) \$ _____
 Insurance \$ _____
 Utilities:
 Phone \$ _____ \$ _____
 Gas and Electric \$ _____
 Water \$ _____
 Sanitation \$ _____
 Home Improvement \$ _____
 Maintenance \$ _____
 Housekeeper \$ _____
 Other _____ \$ _____
Total = \$ _____

How many months have you been in your Mary Kay Business? _____
 How many square feet of your home are used exclusively for your Mary Kay Business? _____
 How many total square feet in your home? _____
 How many hours have you used this space in your home for business? _____
 (# of hours/day x # of days/month x # of months)

If this is the first year you are claiming an office in your home deduction or you added any improvements or additions to your home, please have detailed information available. Include a description, the date acquired, the date placed in service and cost including land value.

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Income Tax Deductions Made Easy

- 1. Use a consultant order sheet to take inventory of your product inventory (Section 1) as of December 31.** Be sure to count products ordered, but not yet received at the end of the year, and product loaned to another consultant. Having a big stock at the end of the year is good for tax purposes. Count all the cleansing creams together and record on the order sheet, the same for each other group of products, no matter what the color or formula. This makes counting fast, and is something you can delegate out for someone else to do. Figure the retail value of the products using the Summary portion of your order sheet, then figure the discount at which you purchase your products. That figure is the wholesale value of the products on your shelves that you will record.
- 2. Use a consultant order form to record the products you will use for your personal use.** Add them up at the end of the year as above, and also figure non-collected sales tax on the retail amount that you can use as a tax deduction.
- 3. Purchase 12 large manila envelopes and label one for each month of the year.** Place all your income and expense records for each month of the year, such as statements and receipts, weekly accomplishments, sales tickets and computer printouts you receive with your orders in the envelope for that month. Also include cancelled checks or bank statements for that month from your Mary Kay bank account, and your business charge card statement to document your charged expenses.
- 4. During the year write up all products used as gift items on sales tickets.** Record the retail amount and amount at cost on the ticket. Keep track of the non-collected sales tax (the amount you prepaid in tax on those products). You can record gifts and non-collected sales tax as part of your Weekly Accomplishment sheet each week, and place the sales tickets in your large manila monthly records envelope as backup records.
- 5. Keep the computer sheets you receive with your product orders.** They are records of your product purchases during the year, as well as section 2 and sales tax paid.
- 6. Use a ledger to keep track of your business expenses.** Add in your cash expenses at the end of each month. At the end of the year, all you have to do is put the numbers in the correct categories and add them up.
- 7. Keep track of all hostess credits and customer discounts.** It is a good idea to charge sales tax on the full retail value of their order, since you already paid the tax on those products when you ordered them.
- 8. Carry some petty cash with you from your profits for those items you don't want to pay for by checks from your MK account.** Record cash expenses in your date book right away, and transfer to your business ledger at the end of the month. Example, lunch with your team member. Record the amount, reason for the lunch and who it was with, so you have a record to back up your expense. Cash expenditures can add up, so keep track.
- 9. At the end of the year, record your ending odometer reading from your car,** and place your mileage log and car expenses log with your other records for the year.
- 10. Use the Income Tax Preparation sheets** for compiling numbers for your income tax accountant. With the backup records, you're all set.