

## **SEO DETAILS:**

Page Title: Tried-and-True Strategies to Minimize Tax Burdens as a Food and Beverage Business Owner | [INSERT RELATED SERVICE] | [INSERT FIRM NAME]

Meta Description: [NAME OF FIRM] explores strategies that can help business owners minimize tax liability in the food and beverage space.

Headline: Tried-and-True Strategies to Minimize Tax Burdens as a Food and Beverage Business Owner

## **BODY COPY:**

Nobody in the food and beverage industry enjoys preparing and filing their business taxes each year, yet this is no doubt an important responsibility with deadlines that roll around each April. And when tax time does come, nothing is worse than leaving hard-earned money on the table—or paying more than is actually owed in business taxes.

Fortunately, this can be avoided by following some basic strategies to minimize tax liability as a food and beverage business owner.

### **Explore the FICA Tip Credit**

There are so many tax credits that are available to food and beverage businesses of all sizes, so it's a good idea to start there. After all, tax credits don't just reduce tax liability, they can actually result in money back after returns are filed.

One popular credit to explore for food and beverage business owners is the [FICA tip credit](#), which is available to employers with employees who receive tips (such as bar and restaurant workers). For those who are eligible for this credit, it is actually possible to claim Social Security and Medicare tax contributions to drastically reduce the company's tax liability without affecting employees.

### **Take Advantage of the R&D Tax Credit**

Another potential tax credit to explore as a business owner is the [R&D tax credit](#), which essentially provides a subsidy for businesses that have invested in research and development within the past tax year. More specifically, businesses may be eligible for this credit if they have spent money on things like:

- Streamlining food packaging
- Experimenting with different ingredients based on changing consumer needs
- Researching ways to source ingredients or prepare dishes more efficiently/sustainably

Businesses that are eligible for this credit can receive a dollar-for-dollar credit that can drastically reduce the company's tax burden.

### **Don't Overlook the WOTC**

One last credit to check out is the [Work Opportunity Tax Credit \(WOTC\)](#), which is a federal tax credit that is offered to employers who hire individuals from specific populations that have faced barriers to employment in the past. This can include businesses that hire veterans, ex-felons and even summer youth employees. Eligibility requirements and credit amounts can vary, but as a general rule, workers must complete at least 400 hours of service before the company can be eligible to claim the WOTC.

## Choose the Right Business Structure

In addition to claiming all of the credits to which a business may be entitled, it is also important to revisit the structure of the business at least once per year to ensure that the accounting type or business structure chosen still makes the most practical and financial sense for the company itself. In some cases, for example, it may be in a company's best interest at tax time to incorporate or even make the switch to a limited liability corporation (LLC).

## Optimize Business Deductions

When it comes time to file business taxes, it's also very important to maximize deductions for all business-related expenses. Some of the most common deductions for food and beverage businesses include:

- Marketing
- Charitable donations
- Health insurance premiums for employees
- Insurance
- Food/ingredient costs
- Supply and equipment costs
- Auto expenses (for businesses that offer delivery)
- Other operating expenses

All too often, business owners end up leaving money on the table come tax time because they automatically opt for the standard business deduction rather than itemizing their expenses. At the very least, it is worth adding up estimated amounts of itemized expenses each year to ensure that the amount doesn't exceed the standardized deduction. This is especially true for years where operating expenses may have been higher than usual due to the purchase of new equipment or other anomalies.

Another thing to keep in mind when it comes to claiming all eligible business deductions is the importance of organized recordkeeping. Throughout the year, business owners and their employees are encouraged to keep detailed receipts for all business-related purchases. From there, keeping copies of these receipts in a uniform location will make it much easier and faster to calculate deductions when it comes time to prepare taxes.

## Meet with a Financial Advisor

Handling food and beverage business taxes isn't exactly a walk in the park, but taking the time to make sure that all credits are claimed and expenses are deducted can drastically reduce the amount of business taxes owed. This, in turn, can set the company up for greater success in the coming year.

Following these tips is the best way to minimize business tax burdens and get the year off to a solid start. However, it's always a good idea to consult with a financial advisor or other professional for specialized assistance and business tax guidance. From there, business owners can enjoy the peace of mind in knowing they aren't leaving any of their hard-earned money on the table. At the same time, they can spend less time worrying about filing their taxes and more time focusing on their business.

**CLOSE:**

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