

# Profit and Tax



Box Owners

 CASH IS KING UNIVERSITY

# The 4 Key Numbers



## Real Revenue

- Different than “Total Revenue”
- Makes all businesses comparable



## Owner's Pay

- Take home pay
- The cost of your lifestyle



## Profit

- What comes back to you because you are the owner of the business
- Also known as “Return on Investment”

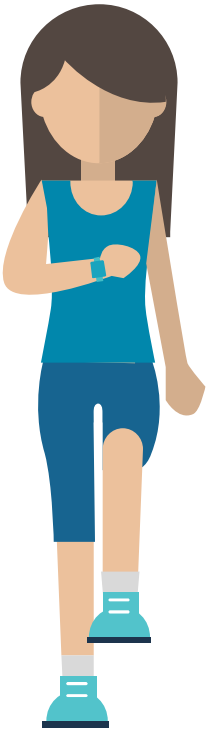


## Tax

- This can be minimized
- The business generates the burden of the tax so it should be the one that pays the tax
- You shouldn't have to pay the tax out of your lifestyle money.

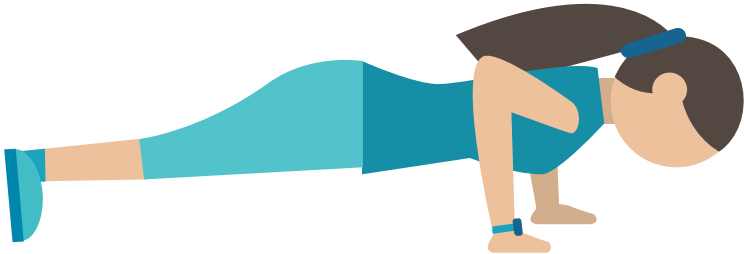
# WHEN YOU TAKE MONEY OUT FOR YOURSELF

It's not always the same reason



## For Purpose of Profit

- ✓ Quarterly Distribution
- ✓ Represents ROI
- ✓ An owner that does not work in the day to day of the business would only receive these profit distributions and not any owner's pay.



## For Purpose of Owner's Pay

- ✓ Talked about Yesterday
- ✓ Anything for owner's lifestyle



# Return on Investment

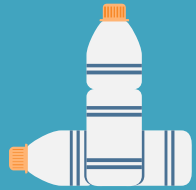
“ RETURN ON INVESTMENT (ROI) SHOWS THE RETURN YOU GET FROM YOUR INVESTMENTS IN A PERCENTAGE FORMAT ”



## ROI FORMULA

ROI =  $\frac{\text{Gain on Investment} - \text{Cost of Investment}}{\text{Cost of Investment}}$

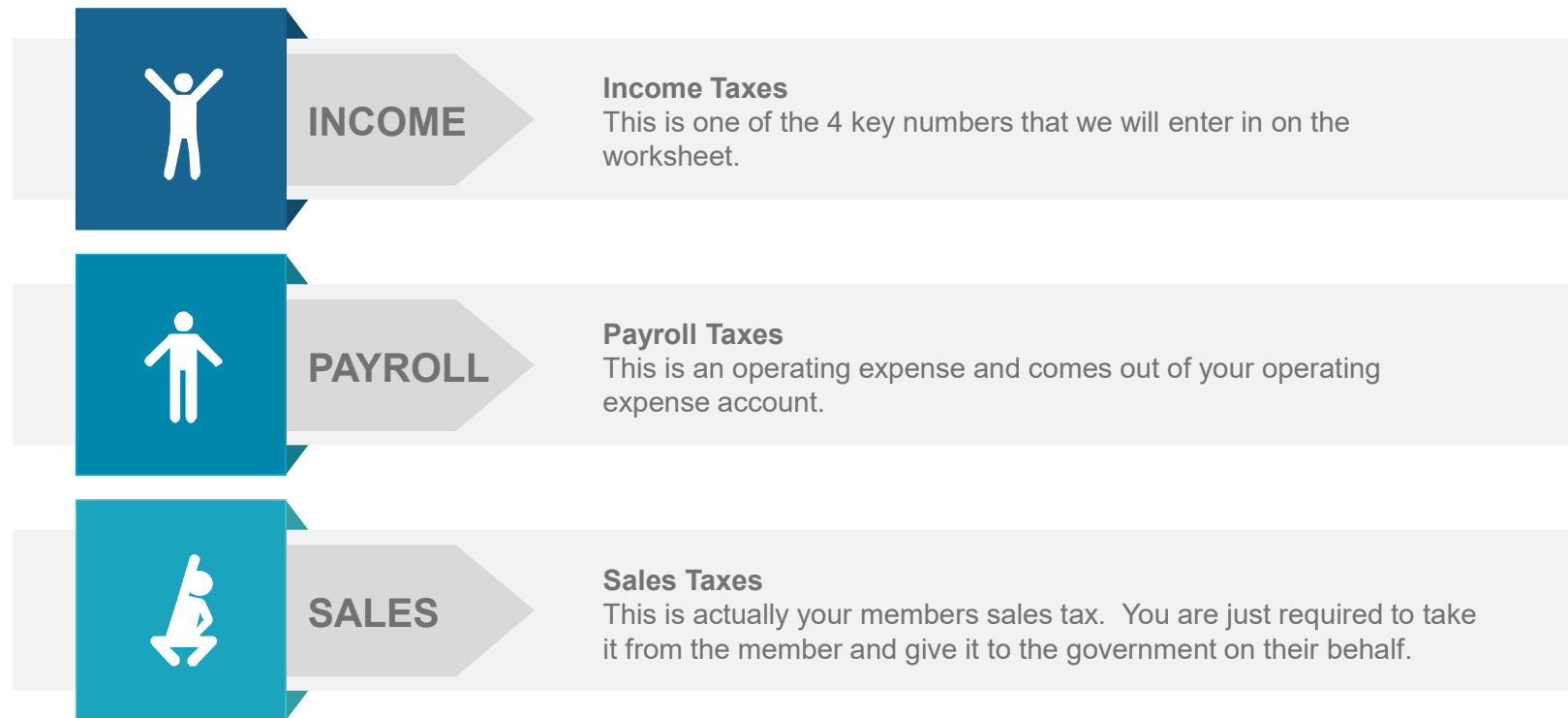
# YOUR BOX IS AN INVESTMENT



# KNOW YOUR NUMBERS WORKSHEET

- Enter how much the business consciously paid you in profit distributions.
- If your business had a net loss, then you need to put that loss number on the worksheet

# TAXES



# INCOME TAXES



The business generates the tax burden



The business should pay for the tax burden



Owner's should not have to take money out of their "owner's pay" to pay for the taxes



Owner's pay should just be for the owner's lifestyle.



Put how much the business paid of your income taxes on the Know Your Numbers worksheet