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WKU Small Business Development Center

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KENTUCKY **SMALL BUSINESS DEVELOPMENT** CENTER
at Western Kentucky University

May Newsletter 2008
www.wkusbdc.com

Statewide Award Ceremony

The inaugural Kentucky Celebrates Small Business Pacesetter Awards were held April 23rd in Frankfort, Kentucky. There were 12 statewide winners of which 4 were WKU SBDC nominated. **33%, (4 /12) statewide winners are WKU SBDC Clients.**

Big Meadow Oil, Knob Lick, 10 employees
Hitcents Inc., Bowling Green, 43 employees
Oscarware Inc., Bonnieville, 33 employees
Walbert Trucking, Glasgow, 120 employees

There were two WKU nominations that did not win this award; however, one of those did win the Bowling Green/Warren County Chamber of Commerce Small Business of the Year. The Small Business Administration also announced 4 award winners for the state of Kentucky. **50%, (2/4) SBA statewide winners were nominated by the WKU SBDC.**

- Walbert Trucking of Glasgow-won the Jeffrey Butland Family-Owned Business of the Year.
- Ameerah Cetawayo, Bowling Green Daily News, won Small Business Journalist of the Year.

Ameerah Cetawayo

hitcents.com DREAM IT REAL.
Hitcents

WALBERT
Walbert Trucking

A glance at the Economic Impact Report for the 7 months just completed shows that the local economy is still vibrant and expanding. There are **15** SBDC centers in the state of Kentucky.

WKU SBDC is #1 in number of businesses started.
WKU SBDC is #1 in number of loans made.
WKU SBDC is #1 in dollar amount of loans.
WKU SBDC is #1 in jobs created or saved.

New Facts About Women-Owned Businesses

The Center for Women's Business Research released updated facts about women-owned businesses including:

- Women own 50% or more of 10.4 million firms, employing over 12.8 million people and generating $1.9 trillion in sales.
- For the past two decades, majority women-owned firms have grown two times the rate of all firms (42% vs. 24%).
- Between 1997 and 2006, the number of privately held firms owned by women of color grew five times faster than all privately held firms (120% vs. 24%).
- Women business owners' satisfaction with banking relationships has more than doubled since 1992 (35% vs. 82%).
- More than two-thirds of women business owners choose financial products and services based on their relationship and experience with a lender.

Source: CFWBR' site at www.cfwbr.org/facts/index.php

Home Offices on the Rise

The number of income-generating households in the U.S. will grow from 13.2 million in 2003 to an estimated 14.5 million by 2008, a compound annual growth rate of 1.9%. Growth has returned, with approximately 400,000 new home offices and 100,000 new small businesses appearing each year.

Source: IDC report at www.idc.com/getdoc.jsp?containerId=211116

IRS Launches Campaign to Help New Small Businesses

The Internal Revenue Service has launched a year-long campaign to help educate new self-employed small business owners about federal tax responsibilities and about filing Schedule C, Profit or Loss from Business.

"One of the biggest challenges faced by people starting out in business is understanding and meeting their tax filing requirements," said Kathy Petronchak, commissioner of the IRS's Small Business/Self-Employed operating division. "It's a new, different and potentially overwhelming experience for them. We want new small business owners to know that the IRS has resources to help them learn about their federal tax responsibilities and avoid common pitfalls."

The campaign will provide new Schedule C, Profit or Loss from Business, filers with improved and updated educational materials through a variety of channels, including IRS.gov, small business workshops and other outreach events.

Schedule C is filed by sole proprietors (one-owner businesses) as an attachment to their Form 1040 individual income tax return. Self-employed individuals with less complex situations – including business expenses of less than $5,000, no net losses and no employees – may be able to file Schedule C-EZ, Net Profit for Business.

About one in seven federal income tax returns includes a Schedule C or Schedule C-EZ. Taxpayers filed over 21 million Schedules C for tax year 2006, reporting overall net profits from sole proprietorships totaling more than $269 billion.

In this introductory phase of the campaign, IRS is offering some basic tips to avoid potential problems:

- Classify workers properly as employees or independent contractors as determined by law, not the choice of the worker or business owner;
- Deposit federal employment taxes, called trust fund taxes, according to the appropriate schedule;
- Start making quarterly estimated quarterly payments to cover your own income tax and social security self-employment tax liability;
- Keep good records to protect your personal and financial investment and to make tax filing easier;
- Consider a tax professional to help you with Schedule C;
- File and pay your taxes electronically; it's fast, easy, and secure;
- Protect financial and tax records to ensure business continuity in the event of a disaster; and
- Avoid abusive tax avoidance schemes such as the IRS's 2008 " Dirty Dozen."

The first event in the campaign is a free national phone forum (http://www.irs.gov/businesses/small/article/0,,id=166814,00.html), "Calling All First Time Schedule C Filers, on May 21. It will focus on common pitfalls for new small businesses to avoid.

To get the latest information about other events and learn about new products and services as they become available, start a FREE subscription to e-News for Small Businesses; just go to IRS.gov at http://www.irs.gov/businesses/small/content/0,,id=154826,00.html, type in your e-mail address and submit.

U.S. Small Business Administration Funded in part through a cooperative agreement with the U.S. Small Business Administration. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Contact [Chris Bixler, 247 Double Springs Rd, (271)467-7154]