**Tax Write-offs**

Whip Your Taxes Into Shape, if you want to Sell your Inn!

Ah, tax time. We all know the more you make, the more you owe! No wonder we want to use the abundance of advice out there about finding (perfectly legal) ways to whittle down your adjusted gross income.

It goes against the usual approach to tax planning, but if you want to sell your Inn within the next year or two, you may want to be less aggressive about claiming tax write-offs. Possibly trying a different tactic. The Higher your reported income, the easier it is to sell and the better value for the business.

Is paying an extra few thousand dollars in taxes for the year, worth it to sell your Inn & Business for a profit?” We’ll leave that up to you and your financial adviser to decide. But if you want to look worthy in the eyes of a buyer, you’ll need to do some legwork on your taxes, starting now.

Pay attention to large deductions and do not comingle your personal expenses with the business expenses. For example, a business vehicle can significantly reduce your reported income. For big, one-time deductions, be sure to save your documentation (you’ll need it for the IRS anyway), and explain to your realtor & prospective buyer the circumstance that reduced your income in that year.

You can also assuage their concerns by having sustained cash flow and expenses from previous years. You need a proven track record to demonstrate the Inns’ earning potential. Preferable is 3 years of business profit & loss statements, along with tax returns to back it up.

I know foregoing some of those tax deductions might make you cringe, but just think of obtaining the best sales price for all your hard work to build the Inn business to where it is today.
Something to think about!

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