



# NEWS from MHC'S INDUSTRY PROFESSIONAL MEMBERS

## TAXES IN A TIME OF COVID

Tips from MHC member and certified public accountant Nikkie Wingire (Capette LLC)



### Did your business receive a PPP loan? What you need to know!

- The federal government has clarified that expenses paid with PPP forgiven funds are tax deductible.
- The government has also confirmed that forgiven PPP funds are not considered to be taxable income as other types of canceled debt typically are.
- If you received PPP loans in the first round, you must apply for forgiveness within 10 months of the end of your coverage period. For example, if your loan coverage period is 24 weeks, from June 1 to Nov 16, 2020, you have until September 16th, 2021 to apply for forgiveness. If you do not apply for forgiveness you will have to begin paying on the loan.
- Bookkeeping Tip: Once your loan is forgiven be sure to move your PPP Loan from your Balance Sheet to your Income Statements as "PPP Grant Income" and let your tax accountant know.

### Are you working from home?

If you are a W-2 Employee, and you normally work at your employer's location but you have been working from home due to the pandemic, unfortunately you CANNOT deduct home office expenses on your tax return for working from home.

### Did you collect unemployment?

If you received unemployment payments, remember these are taxable and all taxes will need to be paid by April 15th. Remember, extensions only extend the time to file, not the time to pay.

### Are you self-employed?

If you have a home office be sure to provide your tax preparer evidence of expenses that can be deducted for home office expense, including:

- Square footage of your house and square footage of your dedicated workspace (your work area must be dedicated space, you can't deduct your kitchen)
- Utilities (Power, Internet, Gas)
- Landscaping (If you have clients visiting your house)
- Repairs
- Property Insurance
- Talk to your tax preparer for other possible eligible expenses

If you use a personal vehicle you can deduct the mileage on your tax return. To deduct your mileage you need to keep a log of your mileage that includes your odometer reading at the beginning and end of the year, and total mileage used for business purposes.

Also, last but not least, talk to your tax preparer about your eligibility to claim a fuel credit for fuel used on the farm.

## MARCH MEANS MINDING YOUR OWN BUSINESS

Tips from MHC member and sponsor Mid-Atlantic Farm Credit



Budgeting is a process of estimating costs and income, while projecting your net profit. Taking the time to craft a budget allows you to create a roadmap on how you plan to spend your money and what earning potential you plan to achieve.

### When should I start budgeting or create a budget?

NOW! As you wrap up your finances for 2020, it's the perfect time to review the status of your budget and make projections for the coming year. That way you'll have a full year's worth of data to pull from to set yourself up for a new year of recordkeeping. If you missed your opening for this at the end or very beginning of the year, that's okay. It's never too late to start keeping track and thinking about your business' financial health. But now is a great time!

### Why do I need a business budget?

It's a good best management practice to make an annual budget to better understand the overall picture of your finances. Building a budget for your farm business will help you plan for the future, evaluate opportunities for saving, and reveal potential opportunities to invest in your operation. If you want to run a profitable and resilient business, build your budget and keep these five tips in mind.

**Simple budgets can be prepared using the following formula:**  

$$\text{Total Projected Income} - \text{Total Projected Expenses} = \text{Projected Net Income}$$

### TIP #1. Identify Your Goals

Each year, it's important to identify the business goals that are important to you, while keeping in mind your projected long-term income and expenses. You may have many ideas for growing with your current market or ways to enter new markets, but you'll need capital resources to make either of those moves. Do you want to add an indoor? Get a new tractor? Upgrade to a 6-Horse Trailer? Making realistic and timely projections is important to the overall budget process so you can adequately plan to save and manage your liabilities simultaneously.

### TIP #2. The Act of Discipline

You are disciplined about how you care for and exercise your horses. Managing your business or personal finances with discipline is a valuable skill-set. Whether you are a business owner or simply managing your personal finances, it is important to be able to identify both essential needs and wants on your expense list. It is important to ask yourself: Is this an expense I can and/or should afford? Making good decisions and taking an honest approach to your business choices will help you to be more successful in budgeting for the long-term.

### TIP #3. Do Your Research

When you prepare your budget, determining your estimated annu-

# ABOUT MHC'S INDUSTRY PROFESSIONAL MEMBERSHIP



## WELCOME NEW & RENEWED MEMBERS!

Keene Dodge Chrysler Jeep Ram (Ashley Adams Aycock) • Pleasant View Farms (Suzette Bizzarro) • Nixie Hollow Stables (Leah Groner)

## THIS EQUIERY COLUMN IS FOR YOU!

This monthly column in *The Equiery*, (which is owned and published by the Maryland Horse Council) is designed to meet the demands of MHC's Industry Professional Members: a place where you can publicize your professional news and updates. Have you taken on a new partner? Hired a new manager or trainer? Brought a new vet into your practice? Promoted an employee? Moved your location? Received a commendation or award? Changed brokerages or practices? Hired a new director of development? If so, we want to know! Please send your news to [IndustryNews@mdhorsecouncil.org](mailto:IndustryNews@mdhorsecouncil.org).

## WHAT IS AN INDUSTRY PROFESSIONAL?

Industry Professional Memberships are open to owners and managers of equine or equine-related businesses, farms and shows/events, and to independent contractors and service providers.

Equine businesses include (but are not limited to) farms and stables offering any equine-related service (such as boarding, training, lessons, trail rides, pony parties, breeding, mare care, foaling, carriage horses, and equine entertainment).

Equine-related businesses include (but are not limited to) tack, feed and other retail stores; trailer manufacturers, sales & service; shipping; feed mills; manufacturers of saddles, supplements, tack, and shoes; hay, straw, shavings, feed, and other products; insurance, financial, legal, accounting, and marketing services; auction houses and sales sites; competition venues and race tracks; veterinary practices and hospitals.

Independent contractors include (but are not limited to) veterinarians, farriers, equine therapists, saddle fitters, trainers, instructors, stall muckers, braiders, and equine dentists.

## Industry Professional Membership Benefits include:

- direct input into policy and advocacy by the Maryland Horse Council on State of Maryland legislative and regulatory affairs, to protect and grow the diverse Maryland horse industry
- exclusive invitations to Business Networking events and seminars (not open to any other membership category)
- business logo and link on MHC member directory page
- discounts on select nationally known products and services, such as John Deere, Sherwin Williams, Suncoast, Nationwide, Redbrand, US Equestrian, New Holland, Toro, eXmark, tenda – and more
- exclusive discounts for advertising and marketing via *The Equiery's* multi-media products. Contact Tracy McKenna to find out more! [tracy@equiery.com](mailto:tracy@equiery.com) or 410-802-4219

**Annual Membership Dues: \$100**  
**Lifetime Membership: \$1,000**

al income and expense is an important step to the equation. Having a reliable list of valuable resources can help guide you with less concrete items like pricing estimates, market prices (investigate what other stables charge for board, whether or not the rates are all-inclusive, how "all-inclusive" is defined in your market) and estimated costs. This type of research will aid in making informed business decisions, which should help you to maximize projected net income.

### TIP #4. Stick To Your Plan

As you move along with your business decisions, you may find yourself challenged by unexpected expenses. It is important to plan for unexpected costs along the way – they happen. Being proactive by creating a nest-egg of savings is a great best management practice to make sure you can continue to stick to your budget, even in adverse situations. This business strategy can help prepare your business and family for the unexpected.

### TIP #5. Review Your Plan Continuously

Make time throughout the year to review your plan, where you stand according to your budget, and make adjustments for items that have changed. Pricing can change, along with future market forecasting and interruptions, which can force you to evaluate your business decisions. Don't just focus on the beginning and the end, and make sure to manage it continuously. A good financial manager will monitor their finances throughout the entire year.

Remember, crafting your personal or business budget for the coming year can be a valuable business management tool to prepare you for your future goals. We know the thought of starting on this may be overwhelming, but Farm Credit can help! We provide free budget templates – and much more!

## WELCOME NEW MEMBERS: COEXIST STABLES



In 2018, Elizabeth Tonti and James Hillman launched their business, Coexist Stables, in Mount Airy, on Serra Valley Farm. Why "Coexist" as a name? Explains Elizabeth, "Our name comes from a belief that all riding disciplines require specific skills which can be carried over to other disciplines. We believe everyone can learn from each other through mutual respect." This winter, Elizabeth and James launched a sister-business, a non-profit called Thoroughbred Retraining At Coexist Stables. With this program, the couple plans to acquire off-track Thoroughbreds, bring them up through the various programs and shows offered through the Retired Racehorse Project, and then move them on to new homes.

## ST. PATRICK'S RACING STABLE LLC

Welcome new member St. Patrick's Racing Stable LLC, based in Fair Hill and owned by Maine native Melissa Perrin-Keithly. In addition to St. Patrick's Racing Stable, Melissa owns Soulshine Yoga Farm, featuring yoga for equestrians, and a business repurposing horse show ribbons called "Blue Ribbon Girl."



This feature is a benefit for MHC Industry Professional Members. To learn more or submit news & updates, contact Business Network Co-Chairs Jane Seigler & Crystal Brumme Pickett at [IndustryNews@mdhorsecouncil.org](mailto:IndustryNews@mdhorsecouncil.org)

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