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## The Easiest Way To Save On Your Taxes In 2020?

Hosted by: Joe McCall

Guest: Tommy

- Joe:** What is going on, Real Estate Investing Mastery, I'm Joe McCall. Glad you're here. Today is a really, really special episode. We're going to be talking about some very important topics as we come in here to the end of the year, as we come in to tax planning, tax, paying your tax season next year. Man, you got to get this stuff figured out, right. I can tell you story after story after story of the mistakes that I've made in the past, the good things that I've done in the past. But there's some really important things that sometimes it's easy to forget about. You're out there hustling, you're doing the marketing, you're talking to sellers, you're getting leads, you're making offers, you're doing deals. You're making a lot of money. And then you turn around and all of a sudden realize, oh, I got to pay taxes on this stuff, right. Or, Oh, I got to have an LLC. I got to have an entity or my business is growing. I need access to capital. How am I going to?
- Joe:** So these are important topics that every investor, every serious investor needs to understand, especially if you're listening to this and you're new to the business because it's better to I sometimes like to say dig your well before you're thirsty. And it's important when you're setting up your business that you set it up the right way. And I have a guest on today. His name is Tommy. And I've been working with Steve and Tommy for a couple of three years now from a company called Prime Corporate Services. And this is the company that I recommend and refer to all of my students and clients. And now I'm referring it to all you all on the YouTube's and the podcast and the Facebook and all of that. So this is live actually, as I'm doing this. So if you're watching right now on YouTube and Facebook, comment down below, give me a thumbs up. Say hi, tell me where you are.
- Joe:** And if you've got a question, I know you're going to have some questions here about taxes, about entity structuring, about protecting yourself, about business funding and structure and all of that. This is the time and the place to ask questions. So say hi, tell us where you are, where you're from, and we're going to give you some really, really good, valuable, practical information on this podcast. So Prime Corporate Services is a company that I've been using and recommending for years, and I highly recommend them. A lot of my I'm getting feedback all the time from my students and clients, and these guys are awesome.



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They're helping me set the stuff up. And we're going to be answering some of your biggest questions, talking about how to save money on taxes, how to set up your entities the right way. I've set it up. I've talked about my mistakes in the past, getting sued.

**Joe:** Here's the thing, guys. If you have not been sued yet or been threatened to be sued, you've not done enough deals. Right? You've not been in the business long enough. It just happens. But you know what I'm not stressed out about? I'm not worried about it because I got the right entity structures in place. Right. As you start making money in this business, you're going to have to start paying taxes. And nothing sucks more than paying too much in taxes or forgetting about paying your taxes and getting pursued by the IRS. So you got to be aware of the stuff. And I'm just trying to help you here talk about this. All right. So this is a good time of the year to start thinking about these things. But coming up at the end of the year, even if you're listening this or watching to it after the first of the year, it's not too late. Right now is the best time to start thinking about these things and being proactive instead of being reactive. All right. So I'm going to bring on a guest. His name is Tommy and Tommy from Prime Corporate Services. How are you, man?

**Tommy:** What's going on? I'm great. How are you doing? Thank you for having me.

**Joe:** Yeah, I'm glad you're here. I was trying for a long time to get you on because our schedules are sometimes tough to get around. But you're with a company called you're the president of a company called Prime Corporate Services. Give us a quick feedback of your history. Where did you come from? How did you get into this industry and why are you doing this?

**Tommy:** It's a great question. I'm happy that yes, between the two of us the last two weeks, I feel like finding a little bit of time that we could sit down and chat has been brutal. But I'm happy we were able to make it happen. So prime corporate services, we've been in business for ten years now and fresh out of high school growing up, my parents were always self-employed. My mom was a real estate agent. My dad owned a real estate company. And from a young age, I knew I wanted to be self-employed. So eighteen years old, I get my first self-employment job and in three, four months make thirty, forty thousand tax dollars. And at eighteen I'm thinking I've got it all figured out. This is, this is easy. What's everyone complaining about. Right.



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- Tommy:** Tax time rolled around and I found myself having to pay a large portion of that back in the form of taxes. So I became obsessed with wanting to understand why people don't understand more about taxation. How come you can go out and generate income and there's so much emphasis on that, which is important. You need to be able to make money or life's more difficult. But it's not about how much money you make. It's all about how much money we're able to keep in your pocket and keep in your corner. And just became true.
- Joe:** I used to joke. I used to joke before I made a lot of money. Man, my goal is to make is to pay a million dollars a year in taxes. That was my joke. And that is like the stupidest thing ever. You're absolutely right. It's not about how much you make. It's about how much you keep for sure.
- Tommy:** Just even I mean, going into 2021, filming this here at the end of 2020, it's been such a bizarre, crazy year for so many reasons that how did it affect you? Was it for the better or for the worse? There really isn't much in between from what I've noticed with our clientele. And the more that you can game plan going into next year, a lot of people say I want to make 10, 20 percent more, but if you could save 10, 20 percent, isn't that the same? And now if we can do both, having an understanding of where to take advantage of those deductions makes a big difference on your bottom line at the end of the year.
- Joe:** That's right. All right. So tell me, I got a lot of questions I want to ask you. But first, before we lose anybody before sometime you get distracted and you've got to move on. I just want to let you know right now, if you go to [JoeMcCall.com/taxes](http://JoeMcCall.com/taxes), there's going to be a link that will forward you to a page that you can schedule a free consultation with Tommy, with Steve and some other guys at prime corporate services. It's absolutely free. But go to [JoeMcCall.com/taxes](http://JoeMcCall.com/taxes) to talk about how to save money on taxes, talks about maybe get some help with entity structuring and get some business funding helping just figure this stuff out and planning ahead in the future. All right. So before you tune us out, I don't know where to go anywhere I go to [JoeMcCall.com/taxes](http://JoeMcCall.com/taxes) right now, schedule a free consultation with these guys. It's going to be highly, highly valuable and I highly recommend you do that right now. All right.
- Joe:** So Tommy there's a lot of uncertainty right now going on, right? I mean, Trump, I think he's going to be out of office in January. We'll see. And so a lot of people are concerned with



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everything changing with the new administration that maybe is not as business friendly, has already said they want to raise taxes on higher incomes and they want to they've already said they want to raise taxes on businesses. So how does what do you say to people who are like a little scared about this uncertainty that's going on right now?

**Tommy:** For sure it's a daily conversation right now. And even more than the election goes all the way back to the beginning. I mean, January 1st, 2018 We experience the largest tax code change that we've experienced in 30 or 40 years. And now a couple of years later, we're in the middle of a pandemic. We've got PPP loans, economic disaster loans, an election that is, like you said, being flipped upside down to where as long as you can still take advantage of those itemized deductions, it's still in place right now. So being an entrepreneur right now, it's a great time because you can take advantage of these itemized deductions if you're structured properly. So while they're there, use what we want to be able to do is stay ahead of what these changes are, if and when they happen, so that we can make everyone aware.

**Joe:** All right, good. We didn't talk too much about what Prime Corporate Services is. And you guys have been around for a long time. It says here you've formed over fifty thousand businesses in the US, Canada and the UK. You filed over thirty thousand business taxes and you've generated millions of dollars in business credit for your clients. You've got a five star rating with Google and a plus rating with the BBB guys. Believe me, I tried I did the research on these guys before I signed up with them because I just want to make sure they've got a good reputation. There's a lot of guys out there with bad reputations, so just be careful with that. You've helped personally, Tommy. You've helped over twenty thousand investors and entrepreneurs personally, and you lead a team of 40 business advisors that help investors, entrepreneurs like me, like our listeners write. Anything else you want to talk about real quick? About the about the history of Prime Corporate/

**Tommy:** It's been a fun ten years. It's been a lot of change. It's been a lot of growth. What's really exciting and what I love about this, you'd think I'm crazy enjoying the tax aspect. But if you are, it's all right. Yeah, you're right. You're not wrong. It affects people's businesses so much that if we can help them understand, it just feels good, good or bad, profit or loss. What do you do? Twenty deals a month or you're still trying to get the first deal under your belt. There's still benefits because of entrepreneurs showing the intent to want to be self-employed. There's so many deductions. And then for the people that are already very well



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experienced asset protection, we do some estate planning as well. Trust wills, asset protection and tax benefits. How can you have that peace of mind that ultimately could affect your bottom line in a positive manner? Right.

**Joe:** OK, so let's talk about some ways. What are some of the easiest ways that people can save on taxes in 2020?

**Tommy:** So the first thing is understand your situation by scheduling that appointment. The big thing we want to do is break down your specific situation because it's going to be different depending on how many deals or if you haven't done a deal yet, still take advantage of those deductions. But the best way is have an entity. For those of you that don't have an entity, what are you doing. Get it set up before the end of the year once you have it. Now, let's break down the itemized deductions that you are able to take advantage of. Some of the very, very easy ones are what I like to call. He weighs expenses, right? Bills, expenses that you pay anyways, your phone.

**Joe:** Before we get to the specific. What do you mean by entity? Define that. You're talking about an LLC and SCORP? That sounds pretty complicated.

**Tommy:** LLC, S corporation. Generally speaking, when you're first getting started, that's what I recommend for some of you. Trust, wills. But if you don't have anything, set up an LLC to keep things simple and easy, but still be able to take advantage of these benefits.

**Joe:** And somebody who's new, it can be a little intimidating. You don't know what these things mean, but it's really not that complicated. They're easy to set up, doesn't cost much money at all. But it has it has so much so many dividends in the future of driving off expenses and deductions, things like that. And it's important as you start doing this business to separate your personal expenses and income from your business expenses and income. It'll save you a lot of money in taxes. OK, so what are some of the dove deeper than in Tommy into the specific ways that people can save taxes once they have their entities set up?

**Tommy:** Absolutely. So like what I love that you said as well as personal as personal business is business. Right. Let's have a separate bank account, have a separate credit card, something you can use that way. But then let's dive deeper into what your strategies are. Are you utilizing direct mail? Are you cold calling? Right. Are there different leadership type



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platforms? Are there different groups that you're a part of? Right. I know that a lot of investors have advisory costs, that they've paid a certain amount of money to be a part of a group. We don't want those to fall under education. We want them to be business related expenses so that you can take advantage of those being one hundred percent tax deductible.

**Joe:** Give us an example of that.

**Tommy:** Any sort of a training or education. Right. Any softwares that you may purchase to be able to track properties? Look, right. For those of you that are in multifamily AC repairs, handymen, things of that nature, those can all end up being itemized. So you're not losing those from a deduction standpoint.

**Joe:** And if you own property, you can deduct depreciation in multifamily.

**Tommy:** Right. If you're going to be getting into those and we can break them up per unit, if it's residential, there's still plenty of additional deductions, even landscaping, all these things that add up so much throughout the course of a year that can really impact your bottom line, right.

**Joe:** To get these deductions, do you have to buy them before the end of the year or before the time taxes are due in April?

**Tommy:** It depends on which one you're doing. So if you're had a great year and you're trying to mitigate some of your loss from a tax standpoint, you can contribute into SEP IRAs and different things like that, even having like a HSA. Right. For those of you that are self-employed and have families, I have I've had an HSA for 10 years because I have a high deductible insurance plan. Not only is it a great form of savings and just a back, but they're deductible in and out. So if you're if you're single thirty five hundred if you're married. Seventy one hundred, that can help from a tax standpoint on being able to write those things up.

**Joe:** So an HSA is what, a health savings account. Right.



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- Tommy:** Health savings account. Yes. And they're very, very easy to set up. I just I have one at a local credit union. I'm in Salt Lake City, Utah, and I have a local credit union that I've had for 10 years that I just set one up there, your bank, and set them up. Most of the time they're very, very simple.
- Joe:** So an HSA is a health savings account and explain how that is. What we're talking about here, guys, are some of the creative ways to save money on taxes, right? Obviously, you can write off expenses, your direct mail, the cost for software. Like if you're using REI simple. If you're buying lists from prop stream Joe or whatever, like you can write those expenses off any kind of advertising you're doing for your properties or whatnot. But there's also some creative ways that you need to really hurry up and start thinking about that you can take advantage of now. And one of them is an HSA, which is a health savings account. And this only applies to people that have a qualifying high deductible insurance plan. Explain what that is.
- Tommy:** Correct. So depending on your insurance and probably the easiest way for you to know if you qualify or don't is just calling your insurance provider and saying, if I set up an HSA, am I able to take the benefit? Anyone can set up an HSA. But I want to make sure that you're asking the right questions as well to be able to take advantage of it for your situation. So if it is a high deductible plan, then you can put up to seventy one hundred dollars in there a year if you're married and that becomes a deductible expense and you can either use it for health premiums or you can just use it as a savings account. Either way.
- Joe:** I got some good questions for this really important question. HSA money, seventy-one hundred dollars per family or per individual?
- Tommy:** Per family. Thirty-four hundred per individual.
- Joe:** So 70 what was it here. Seventy-five. Seventy-one hundred dollars. OK, that's a money that sits in an account that you can use for dentist appointments, for prescription drugs, you can't use it for premiums. All right.
- Tommy:** You can use it for premiums on the high deductible.
- Joe:** Can you use it for. But what if you don't use it by the end of the year? Do you lose it?



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- Tommy:** No. What's really awesome is it can also gain tax free interest or you can just transfer it so you can use it as a savings account or it can roll over to the following year as well.
- Joe:** All right. So there are some HSAs, because when I used to have a job with an employer, I don't know if they were called HSA, but it was a certain plan where if you didn't lose it, if you didn't use it, you lost it. Right. And this is different.
- Tommy:** Oh, yeah. Oh, yeah. You can roll it over to the next year. You can keep them forever. You can cash out. That's what's beautiful is it gives you a ton of flexibility, but it still allows you to take advantage of that deduction. Easy way to do it.
- Joe:** So explain that, because I've always been confused with this. How does it save me in taxes? I put this is I put seventy-one hundred dollars of extra tax dollars into this account. How does it save me in taxes?
- Tommy:** So what's really cool about this is when you set up an actual HSA account, a health savings account, let's say that you're going and you do it with your bank. What they'll do is if you contribute that full seventy-one hundred, your bank will actually send you a tax form at the end of the year. So when they send you that tax form, it'll show what you contributed for 2020. And what's awesome about an HSA as well is you can put money into it weekly, monthly, yearly. However you decide to contribute is totally up to you. And then once you get that tax form, just like you were having a W-2 or whatever it may be when you're filing your taxes, you just have to break down what you ended up paying. And they can even give you a debit card so that you can pay your premiums or you can pay your medications or whatever you need throughout the year. But it'll write off against your overall income and work as a deduction for you.
- Joe:** All right. So if I put seventy one hundred dollars in and then I, I show seventy one hundred dollars of income in my taxes, I can actually reduce my income that I have to pay taxes on my seventy one hundred dollars. So if I'm in a thirty five percent tax bracket that's going to save me in real dollars. Where's my calculator here? Seventy-one hundred times point thirty-five. About twenty-five hundred dollars. Right. Right off the top. So it's not that I, I'm not, I want to put this in simple terms as I can because I think I got it right. It's not that I'm paying seven hundred dollars less in taxes depending on your tax bracket. If I'm in the



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thirty five percent tax bracket, I'm saving seventy-one hundred times thirty five percent. I'm saving. I don't have to pay twenty-five hundred dollars in taxes.

**Tommy:** Correct. Yeah. It's not a dollar-for-dollar return, it's a dollar-for-dollar deduction which that will compensate for your percentage based off of what your overall income is. So you hit it right on the nail. It's not like you get seventy, one hundred off your taxes, you get the savings of writing that off against your income to save you that percentage.

**Joe:** All right. So I don't know if you can answer this or not. And maybe this is I shouldn't even be talking about this, but you can get kind of creative with some of these things, right. I've been having neck and shoulder tightness and problems. You know, it's it hurts, but it's nothing major. My chiropractor said, you know what? I could recommend that you buy this really nice massage chair and you can use your HSA to pay for it, which is literally like getting thirty five percent off this nice massage chair. Now, I don't know, going to go into the technical details, but holy smokes that's a great idea. Right, because these massage chairs can get pretty expensive.

**Joe:** But if I get a doctor that prescribes one for me, for just my neck and back pain, I can save thirty five percent off of some of these massage chairs and they can get expensive anyway. That's kind of what an HSA is for. And maybe you have prescription drugs or dental or you're taking your kids to the doctor all the time and you're paying these deductibles a great way to that. Anybody here can start saving a lot of money and you don't have to open this with seventy-one hundred dollars right away. Right. This is something you can contribute every two weeks, once a month throughout the year. Right.

**Tommy:** If you want to put in a thousand dollars at the end of the year because you don't have the seventy-one hundred, do what works for you, but give yourself the deduction if it qualifies for your situation, don't you don't have to put that maximum, but if you are able to it's nice to max it out and be able to take the maximum deduction.

**Joe:** All right, let's talk about a SEP IRA. What is a SEP IRA?

**Tommy:** So the big thing with a SEP, IRA, and we're going to have two situations. Right? So for everybody listening, those of you that are currently employed and those of you that are full time self-employed, your employer probably offers 401, IRA, any sort of a match. But for



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those of you that are self-employed, a lot of the goal is to obviously do deals and be able to reinvest back into your business, into properties or whatever it may be. But that income that is untaxed adds up very quickly. So what's awesome about? Sep IRA, as I was fortunate enough to where my sister was a financial planner and I'd be able to pick her brain on these things with a SEP IRA, you're able to contribute all the way up until you file your taxes. So if you're an S corporation, you can contribute all the way up until March 15, L.L.C. is April 15. Even if you file an extension and go out to October 15th, you can still contribute for the previous year.

**Tommy:** Right. So what's really nice about this, and we don't do this ourselves, this is just kind of a pointer for everybody that did have a good year. Talk to a financial planner and see how much makes sense to be able to defer that income. The goal is that you're making more money now than you will later when you're looking to retire so that you're not paying the tax dollars on it. Today, you're deferring for the future.

**Joe:** So an IRA, talk about what an IRA, let's say it's an individual retirement account. Right. What do you do with it?

**Tommy:** Correct. Individual retirement accounts set up for long term savings, set up for a retirement account. And what's awesome about a SEP IRA for most of the people that are watching this being self-employed, you can have it owned by your LLC, right? You can have it owned by you as an individual. But what's awesome is, depending on the plan, you can also use these to invest moving forward. Right. You got to be careful with when you're pulling and what the tax ramifications are. Make sure you're running that by a professional, whether it's a financial planner or an accountant of some sort. Understand what your tax liabilities are. But the beauty is you can contribute and set yourself up for the retirement, save money on taxes this year, but still give yourself the ability to pull for a deal, whether it's two years, three years, five years down the road. So it just gives you it's a retirement account for self-employed individuals that gives you a little bit more flexibility.

**Joe:** And so it's kind of like self-directed IRA, if you're familiar with that right. Where it's post, it's after-tax dollars so you can contribute up to fifty-seven or up to eight. Fifty-eight thousand dollars per individual, per family. Per individual. OK, so if you've got the money you can put in one hundred and something thousand hundred and fourteen thousand for you and your spouse. But anyway that's what you can contribute every year into this IRA.



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And what that does is and correct me if I'm wrong, tell me. But I could go by a deal. I can flip deals inside that IRA and the profits are pretty much tax free. The profits have to stay in the IRA, but I don't have to pay taxes on the gains. Is that right?

**Tommy:** Correct. Yeah. You can roll those over and just put the profits right back in without having to have the tax liability unless you were to pull out or pay yourself a salary or a distribution.

**Joe:** Yeah. So you can even do like wholesaling deals, lease option deals. Let's just do a quick, simple assignment, a wholesaling lease option or wholesale assignment deal. So you get under contract and you have to put one hundred dollars as earnest money onto the deal where you can use one hundred dollars from yourself, from your IRA as earnest money on that deal. You get it under contract, you flip or wholesale that contract, maybe you close on it maybe and then double close and sell it immediately, maybe just do an assignment or whatever and you make ten thousand dollars. You have a contract to buy this property for one hundred grand. It's worth two hundred.

**Joe:** You sell that contract to another investor for ten thousand dollars. Normally you'd have to pay taxes on that. You're going to have to pay two or three thousand dollars in taxes on that. Ten thousand dollars profit. Right. But if you do it inside of your IRA, that ten grand just goes back into your IRA account tax free. You do not have to pay any taxes on that. Unlike a traditional IRA that is pretax and you pay taxes on the gains when you start withdrawing from that, when you're sixty-five or whatever. Right. But a SEP IRA or one of these self-directed IRAs, you do not pay any taxes on that gain, which did I get that about right?

**Tommy:** Correct. Yep. You hit it right on the nail. What I love as well, the way that I have been set up and the way that a lot of our clients do is they'll have their LLC or their trust or whatever it may be, asset protection wise that owns that Sep IRA. So the example you gave you hit it right on the nail. But not only does that give you the tax benefit to defer those profits, but you can give yourself some additional asset protection as well.

**Joe:** Oh, yeah, it shelters some of that. Your money, your assets. Cool. So any other creative ways to somebody could start saving money on taxes?



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- Tommy:** We're getting close to the end of the year here. So I would say the probably most important part is just start planning for it right now. Right. You've got to put yourself in a position where you have someone that can help you forecast, that can help you understand what to be aware of. I'd say the first thing is if you don't know what deductions you can take, there's over two hundred and fifty different deductible expenses for self-employed real estate investor. Right. If you're not aware of what that list looks like or what you're able to take it. Shortage of talk to somebody, because what you don't want to do is wait a couple more months, sit down with a shoe box full of receipts, if you will, or going through with a highlighter on a credit card statement, which I used to do in your fingers for the best game plan a little bit and have a better understanding of what you can take advantage of. I loved your example with the with the chair. Right. One thing the IRS says is, is it ordinary or necessary for your business? I want to say that again, because that's part of the most important thing for people to understand that don't know, is it ordinary or necessary for your business? And if we could justify one or the other, a lot of times we can fit it into some category to allow it to be a deductible expense.
- Joe:** Yeah, very good question. From related to all this, what if you've not done a deal yet and you do not have an LLC set up? So somebody is just brand new? Good question. And they're like, I haven't even done a deal yet. I'm just starting to focus on this stuff. Do I really need an LLC right now?
- Tommy:** Phenomenal question. I mean, you don't have to do anything. But my short answer for you would be absolutely. You should have an LLC. And let me tell you why. It's a great question. When you're first getting started, what the IRS wants is to see that you're showing the intent to operate as a business owner.
- Tommy:** Right. So the fact that you're watching this is intent for what you want your future to look like. Mm hmm. So with that being said, by having an LLC and an entity in place, what you're doing is you're allowing yourself to show the IRS that you're treating this like a business. Now, from there, you can take losses to out of your first five years in business. So training courses, softwares, whatever it may be that you've been involved with throughout this year. Absolutely. Have an LLC and utilize those deductions.
- Joe:** Yeah. And I got some more questions here. But Tommy, just so everybody knows, if you want to schedule a free business and tax strategy session consultation with my friends at



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prime corporate services, go to JoeMcCall.com/taxes, JoeMcCall.com/taxes. Let's talk about business funding. What is that? What does that mean and what when and why do people need it? Sure.

**Tommy:** This is something that's pretty awesome We've one of our credit advisors that put this together has been in the banking industry for 30 years. I mean, he's taught at the University of New York, California. His resume is unbelievable. Just a great guy. And when he put this together, the goal is, like we've talked about earlier, personal is personal, business as business, from a liability standpoint, from a tax standpoint, but also from a funding standpoint. So by understanding how to apply for a separate credit profile with your business entity like your LLC or your S corp, you allow yourself the ability to then start to develop a separate credit profile for your business, which once you do that and understand how to build up that credit profile, you can get actual business credit, actual corporate funding off of that business.

**Tommy:** So you can get away from a lot of times what feels like, especially in the beginning, feeling like being a piggy bank to be in a business. So just to give you a visual. Right now you've got your name, your Social Security number and your credit score. The goal would be to do the same thing for the business. Name it, get yourself an area, no Social Security number for your business and build up a paydex is what it's called. Paydex. OK, separate credit profile specifically for your business.

**Joe:** So what does this look like? Is it is it a line of credit, is it or business credit cards. How does it what does it look like when you get it?

**Tommy:** Yeah, great question. So the pay tax profile is very similar to your FICA, right? It ranges from one to one hundred eighty to eighty five. Would be like you having a seven fifty to an eight hundred if you will. So the way that we break that down is initially you've got to start somewhere. So we call them starter lines. Very, very creative. I know, but those started a lot of times are just a gas card or a Staples card or something to give you a little bit of activity. And then you can go and look at get some of these credit lines that most real estate investors are after. But the starter lines is where you can begin to build up that credit profile before you can start getting into actual lines of credit.



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- Joe:** And so everybody's got to start somewhere. And it kind of depends on your credit score at first. But this doesn't show up on your personal credit report, is that right?
- Tommy:** Yeah. Initially you have to apply. You have to start. The difference between building business credit and personal credit is when you're building personal credit, you turn 18 and get your first credit card, car loan, student loan, whatever it may be, and they start judging you off that credit history right off the bat. The business credit is something that you have to apply for, something that you have to build, something you have to maintain. Now, it isn't rocket science by any means, but it is a process which we do. We can help you understand what that process. As is the goal is to be able to reach out to actual banks and actual lenders and the real estate world. There's a place for hard money and there's a place for all these funding options. But long term, if you can keep that control in your own hands with lower rates on a business credit side, it also separates that liability. So initially your personal credit can impact it, but there's still ways to build a separate business credit profile.
- Joe:** And this is really important, especially for you guys that are wholesaling. Right. It's getting more and more expensive to get hard money. It's getting harder to find private money. The cool thing about business, line of credit, maybe a couple business credit cards with a fifty-thousand-dollar limit or something, which is not that hard to get. And I want to ask you in a minute, tell me about some of the results you're seeing for your clients. But the coolest thing about that is it's getting harder and harder also to wholesale without a real estate license. Right.
- Joe:** You hear about this, what's going on in Illinois and Pittsburgh, Pennsylvania and Oklahoma and all of this stuff where they're trying to pass laws saying you can't assign contracts, you can't wholesale deals. Right. So it's more important than ever to actually close on the property and it's getting more competitive also. So when you can talk to a seller and say, hey, listen, these are the guys that are talking to you or sending you these postcards, they don't have the money to close on your deal. They're just hoping they can find somebody else with the money to close the deal. But me, I'm actually going to buy your house, and that's all you need to worry about. That's all you need to tell them. And, you know, you've got some business line of credit lined up where you can pay just out of that credit card or out of that line of credit, the 50 grand, the 30 grand, the seventy five grand to close on that deal. And what kind of interest are you paying them?



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- Joe:** Well, it doesn't really matter because you're only using it for a couple of days. Right. But then you can actually close on the property and then turn around and sell it so you can buy it by owner and sell it for sale by owner. And you're actually using your own money and you're not using a hard money lender which charges ridiculous points and high interest rates and all of that. You're not using a private lender, so it's going to save you a lot of money. It's going to help you do more deals having these business lines of credit set up. Now, depending on where you are financially, everybody's going to be at different levels. But you might get a little bit at the beginning and then slowly build it up over time.
- Joe:** The guy's at Prime Corporate services will help you do that. If you're in a real good position or shape now, you might be able to get a bunch more at the beginning. The cool thing about what Tommy's doing here is they're going to help you figure out what you can get and they're going to help you get to a place where you can get more. So it's not just a one and done set up. They're going to be helping you get more and more established over time. Is that right, Tommy?
- Tommy:** Correct. Yeah. The way that we've actually put that together is giving you support for a full year. The reason that we've done that, because there's two things that make life easier a lot of times, and that's good credit and making money. Right. So obviously, as you generate income, as you have deals under your belt, you're going to be able to build larger lines of credit. But the goal is if you can do it from the beginning, even if you haven't done a deal yet, you're laying the foundation of being able to start to build up that credit profile. So now you can go get those larger lines of credit with the separate liability. What I love that you said earlier, Joe, was when you're going and presenting to somebody, imagine how much more comfortable that feels to where I'm the one that you're going to be interacting with as opposed to let me see what I can do with getting funding in order. And then from there, you're separating your liability with your business entity as opposed to just always leveraging your personal, even if you're in and out within forty-eight hours, whatever it may be, right?
- Joe:** Yeah. Yeah, very good. So again, guys, if you want to schedule a call with Prime Corporate, go to [JoeMcCall.com/taxes](http://JoeMcCall.com/taxes). Tell me, what are some of the things that you dive into on these calls with clients that because, again, let me just I'm being completely honest here. I do get a commission from Prime Corporate. I don't hide that. I'm not ashamed of it. This is a great company. They've been around for a long, long time. I get



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testimonials from students on my private Facebook group saying, oh, this is amazing. I just scheduled a call. I'm getting set up. I'm excited. This is awesome. So the feedback I've been getting has been phenomenal with you guys, Tommy. So thank you so much for that. But OK, talk about what are some of the things that happen on these phone calls?

**Tommy:** Of course, I appreciate you saying that as well. That's the goal is to just help everyone understand their situation a little bit better. So even though you're getting a commission like you're saying, and be very transparent with it because of this relationship we've had for several years, we're offering a free consultation because of the clients you've brought to us as well. It's appreciated. How about it and how much your community wants to improve their situation. So when you schedule a time, the one thing I do ask schedule a time that works with your schedule. Right? It's forty-five minutes to an hour. And what we're going to do is we're going to break down, if you're brand new, how many deals you've done, what your goals are over the next year or two.

**Tommy:** And then we're going to assess entity set ups, LLCs, S Corps, partnerships, whatever it may be, and whatever makes the most sense from a protection standpoint and a tax benefit standpoint. We also will help you understand, if you're not familiar on how to build business credit and corporate funding and then with where we are in the year, there will be a huge emphasis on taxes. We do have a full team of accountants, EAs, CPAs that can file both your personal and your business taxes where we are in the year. That'll probably be a majority of the emphasis right now in making sure you have a jumpstart going into 2021, and you're not overpaying in taxes.

**Joe:** I imagine this happens all the time with the amount of your services. The amount of money they save from taxes far outweighs the investment into your service.

**Tommy:** It better, or we're not doing our job. We're at that. That's the goal. Right. Pay for what you get not only from a financial standpoint, we want to be able to get you the largest return. You want to be able to pay less in taxes if you can. But you also need to have a little bit of a better understanding so you can forecast throughout the year when you're making money, if you're not making money, what your deductions are. We also have excellent organizers that can allow you to track those expenses, track your mileage, track your mailers throughout the year so that you make sure that you're writing those off at the end of the year.



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**Joe:** Very simple. Real simple. Cool. Well, Tommy, as we wrap this up, anything you want to just close with the final advice.

**Tommy:** Thank you for having me. It's always a pleasure being here. It's been awesome working with your clients over the years. 2020 has been crazy. What I do ask is that you do utilize the deductions and you understand going into 2021 how to change that. But I hope everyone has a great 2021. I hope it's a little bit less chaotic than 2020 has been. Yeah. And I hope everyone has great success moving forward.

**Joe:** Nice. Thank you Tommy. Again go to [JoeMcCall.com/taxes](http://JoeMcCall.com/taxes) when you go there. I'm looking at the page now. There'll be a little video of me talking about some of the stuff you can schedule your free consultation. There's a calendar where you can pick a day, you can pick some times their goal here. It says right here is to make you to make sure you can save big money on taxes, even if, even if you're just getting started to make sure you're protected personally from is from any business liability and help you take advantage of the funding options you have as a business. So those are the three core things that you'll talk about on this call. Number one, how can you save more money on taxes, which is super important, and make sure you're protected personally from business liability? And number three, taking advantage of different funding options that you can that you have as a business. So you're going to go on there right now. If I go in to tomorrow's calendar, there's about seven or eight time slots here. I'm looking at it. I can schedule a call. And it's not a high-pressure thing. You're just going to they're going to ask you a bunch of questions. You're going to find out about your goals and let you know your options.

**Tommy:** Yeah, that's the goal. Yeah. If you don't have an entity in place and you're watching something like this, set up an entity, take advantage of those deductions because like you said, even if you don't make money, if you have a personal income or any taxable income, you can write off against it. So I know I said that earlier, but just to just to reiterate, don't leave money on the table if you are planning on turning up your business in 2021.

**Joe:** Nice. All right, Tommy from Prime Corporate Services, thank you so much. Of course. Thank you for having on the podcast. Appreciate it. Appreciate you guys. Hope you had a good Thanksgiving. I hope you have a good Christmas as I'm recording this now. I appreciate you all. And we will see you later. If you want to show notes from this episode, go to [RealEstateInvestingMastery.com](http://RealEstateInvestingMastery.com), [RealEstateInvestingMastery.com](http://RealEstateInvestingMastery.com). Or go to my



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