

Better for Less Club

TAX BENEFITS OF BEING A MELALEUCA PREFERRED CUSTOMER

Disclaimer: we are not attorneys or tax professionals.
Talk with your advisor concerning your particular circumstances.

Melaleuca set up the Preferred Customer relationship as a "partnership". This allows tax deductions that, otherwise, would be personal expenses. Your deductions could *easily* exceed your annual product purchases so they are effectively "paid for" (and then some).

Melaleuca Preferred Customers have the option of building a referral business, therefore **any expenses incurred as a "preferred customer" (partner) that are ordinary, necessary and/or reasonable are tax-deductible**. If you are a Preferred Customer of Melaleuca it is ordinary, necessary and/or reasonable to:

- Pay for a \$29 membership kit.
- Purchase 35 Product Points or more of Melaleuca products each month participate in the company's revenue sharing program.
- Purchase a Home Conversion Pack or Value Pack to receive Pacesetter double advancement bonuses and to become familiar with the company's products so you can represent them well.
- Acquire a Business Pack and subscribe to various services to have the tools helpful in referring customers.
- Use a phone and its service; a computer and WiFi. (Need a new phone or computer?)
- Using TV & DVD player or computer to educate you or friends about the value of your membership.
- Printing, faxing, postage, maintain office supplies and equipment.
- Driving to meet new prospects and meet with prospects to introduce them to Melaleuca and for training.
- Convention tickets, transportation, meals, hotel and miscellaneous expenses.
- Etc...

We try to make our record keeping as easy as possible. We have some simple practices, including:

- Log our mileage to places where we meet people, see training, do presentations, etc. Everywhere we go we try to meet new people and ask questions so we can add them to our contact list. The majority of our mileage is deductible because of our business intention and attention to building our business.
- What we do and where we go is in our calendar (and we note if we were in hotel or had a meal...)
- Put all business-related expenses on one credit card. (Ours categorizes and summarizes in statements, and downloads into TurboTax).
- Save receipts in envelopes labeled Jan-Dec for easy access if original is needed.
- Use TurboTax Deluxe for Home & Business. We find it comprehensive and user-friendly. TurboTax asks, in an initial interview, every question a CPA tax professional would ask if he/she was on your side. You can see how each expense affects your tax liability. You can file online. (The program will not allow you to submit if there are any errors, and it points out the errors and how to resolve them. The TurboTax system uploads the previous year's information, deductions and taxes for comparison. They will defend an audit. (See details at their website).

We're glad to have you be a part of the "Better for Less Club" (as we call our Melaleuca family). We'll support you to make the most of your customer and business relationships with Melaleuca. Call your enroller or us anytime.

Your Support Forever,
Sharole & Jim Beckman