

CM Advisors & Taxes

Unless you're a CPA, you probably don't love the subject of taxes, but there are some things that are helpful to know when it comes to 1099s.

The IRS mandates that CM issues a 1099-NEC form to Advisors whose **earnings** in a calendar year total \$600 or more. Here is a look at that from both personal use and business perspectives.

PERSONAL-USE ADVISORS

For example, Susan joins as a new Advisor and her \$1,725 in product purchases throughout the year move her from Level 1 to Level 2. She also receives \$250 in CM Credits and promo gifts.

Her total earnings are below \$600 so she does not receive a 1099.

Annual Personal Spend	Earnings Level	Earnings Value
\$550	1: 10%	\$55
+ \$1,175	2: 25%	\$293.75
Total: \$1,725		+ \$250 (Free Gifts & CM Credits)
		Total: \$598.75 (below 1099 threshold)

BUSINESS-BUILDING ADVISORS

Once an Advisor's earnings in a calendar year exceed \$600, a 1099 will be issued. Congrats!

This means you are saving more memories or on your way to building a scrapbooking community and business. Earnings may be a combination of personal use purchases, sales earnings, team earnings, free gifts and CM Credits. When you exceed the 1099 threshold, we recommend that you consult with a tax advisor who can share the tax benefits of owning your own business.

TIP: Whether you consider yourself a personal-use Advisor or business-focused Advisor, you and/or your tax preparer will want to note what the IRS has to say about purchases for personal use on the back of Schedule C.

Advisors can check their Advisor HQ and My Reports at any time to see their current earnings and also export reports for personal or professional tax preparation.

