

**Maine Alpaca Association
Members' Meeting
14 October 2017**

The meeting opened at 11:30 AM

Attendees: 15 Members, 1 Guest Speaker

President: Anne Gobes gave the welcoming address. She introduced our guest speaker, Linda Brackett of Austin Associates, CPA who was giving us a presentation on Maine taxes.

We then moved on to getting our lunch and sat down to listen to our speaker's presentation.

Linda gave a brief summary of her position at Austin Associates and then proceeded to respond to questions she had been previously given by the member via email.

Questions that were asked:

- Online Sales Tax – If someone is purchasing from you that resides in a state that does not have sales tax you do not collect it unless you are registered within that state. Based on delivery it is up to the purchaser to pay sales tax.
- Is there a sales tax charge on instructional classes? You would only charge for the product you might use, i.e., yarn etc.
- Tax on manure? Only if you have bagged it for sale. If they pick it up themselves you don't.
- There is no sales tax on gift cards. When the cards are used the tax would then be added to the purchase price.
- Should farm and personal expenses be kept separate? Absolutely.
- Tax Exempt Status? You turn the product around to sell and therefore collect the tax on the purchase. You can apply for this status online.
- Resellers Certificate – US based resellers do not need to pay sales tax for the products that they purchase (from wholesalers, etc.) and sell to their customers. Instead, the sales tax is paid by the customers when they buy the product. The reseller collects the money and sends it to the state according to a predetermined schedule, usually monthly, or quarterly or annually.
- How often should the taxes be filed? That would be based on your sales dollars. It could be monthly, quarterly, or yearly.
- Should a farm be an LLC, DBA or Sole Proprietorship?
 - LLC and DBA are two acronyms commonly used to indicate important legal aspects about a business. LLC, or Limited Liability Company, refers to a separate legal entity that is distinguishable from its owners.
 - An LLC is a separate legal entity from the individual member or members who formed the LLC. In contrast to a DBA, the name of the LLC is the legal name for the business and must be used on all government applications and forms, such as a business license or tax

filing. Each state has its own laws regarding the formation of an LLC; however, unlike requirements for a DBA, no state requires a business to form an LLC.

- A DBA is not the legal name for a business -- it is simply the name that a business owner wants to use to sell products or provide services. A DBA is sometimes referred to as a fictitious name, trade name or assumed name. All states have laws regarding the proper registration and use of a DBA. Some states, such as California, Florida and Connecticut, make registration of a DBA mandatory before it can be used by a business owner.
 - As a sole proprietor, by default, the legal name of your business is your own name. But you can choose operate the business under another name, known as a "fictitious business name" or "doing business as" (DBA). Most states require you to file an application for your DBA.
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- Operating Expenses if use home office – you need to determine how much of your home utilities are used for your business. Your accountant might depreciate the area based on the sq. footage used versus the house size.
 - Keep track of sales tax collected. Use a spreadsheet or software such as Quicken or Quickbooks.
 - Casual Sales – if not kept on report must report it in some format. You need to collect tax and report casual sales such as at craft fairs if the sales are the same as your business sales.
 - When you file online, be sure to keep a hard copy.
 - You have five years from the start of your endeavor to start to show you are trying to make a profit.
 - Is there a tax on the sale of livestock? Schedule D on the tax form is where you would show depreciation for your livestock.
 - Inventory – Keep a record and track your inventory of what was purchased during the year. Do an inventory check by 12/31. This will enable you to accurately report your earnings and sales tax

The January Annual Meeting will be held on Sunday, the 20th in Biddeford Maine, at (location to be determined) at 11:30AM. We will be voting for two board positions that have finished the terms.

The presenters will be Melissa and Marc Worrell of East Coast Alpacas. Members will be able to visit their farm after the presentation. Their topic will be what to do with alpacas that are no longer a valuable asset to your farm.

The meeting adjourned at 1:30 PM.

Respectfully Submitted,
Judy Mullins, Secretary