

1. Count up inventory on December 31st. You don't need to be super specific like 2 hazelnut eye 3 Merlot, ect, you can just say 5 eye shadows. I like to start an order in intouch to track my inventory and print it out to count up what I have on hand.
2. Download report from company of how much you ordered on Mk
3. Total sales - how much did you sell this year? Use your receipts or I download a report on my customers portal
4. How much did you use for Personal use products?
5. How much did you spend on Expenses? Cotton balls, pens, events, starter kit, ect

If you have more specific questions here's the Mary Kay tax person I use.

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Digital inventory tracking sheet

<https://docs.google.com/spreadsheets/d/1RPF1CUnT1bCVXVBhH1TfE8-fN0qoun8zGZihFbxKS8M/edit?usp=drivesdk>

Have you listened to this yet?

Click the link below to hear a simple Year-End Tax Checklist, plus the top 5 things you can do right now to be ready for tax time.

Remember: no documentation, no deduction.

Having the right records in place helps protect and keep more of the money you worked hard to earn.

Grab a pen and take a few minutes to tune in. This one truly matters.

Watch on YouTube: https://youtu.be/zXNNwhCf_PE

Discontinued Products Bin

What do you put in here?

Put in here all products that are not on the current order sheet

What do you use these products for?

Anytime you have to give product away, this is the first place to pull from. Great for hostess gifts, raffles at your parties, signing bonuses to consultants, gift baskets that someone asks you to donate for a fund raiser, etc.

What paperwork do you fill out?

Log each item on your Demo Products sheet. If you sell product from here, just write a sales ticket as usual and calculate the tax. Otherwise, no paperwork required—yay!



YEAR END TAX CHECKLIST

Here are the Top 5 Most Important Things you can do at year end to be a \$mart businesswoman & be prepared at tax time!



- Roll-Up Bag Refresh.** Go through your Starter Kit to refresh & restock any items that you are running low on or that you wish to start demonstrating at your parties. Make a list of these & other items that you used during the year. Label them "Demo Items" as these are tax deductible. Refresh & restock your own personal Travel Roll Up Bag. Be sure to use Mary Kay from head to toe! Make a list of these & other items that you used for yourself during the year. Label them "Personal Use Items." Although these are not tax deductible, you must report this number to your accountant.
- Count your Section 1 Inventory.** The easiest way to do this is to start an order on InTouch. As you count things on your shelf, add them to the order. Instead of placing the order, print the order. Your wholesale value will be automatically calculated and printed at the top. You do not need to include any Section 2 items. For products on your shelf that are not available for order from the company, make a list of each item & its wholesale cost. These will be categorized as "Discontinued Items" and can be written off on your tax return.
- Take a photo of the odometers** on all of the cars that you had available for use.
- Take a photo of your home office space.** Measure the square footage of the space. The space doesn't have to be an entirely separate room; however, it does need to be exclusively used for your business.
- File all of your receipts.** Grab an expandable file at your local office supply store and have one slot for each income & expense category on your tax return. Sort your receipts & important documents into the appropriate slot. Add up each category & give the total to your tax preparer.



CONGRATULATIONS FOR BEING A \$MART BUSINESSWOMAN!

Year End Business Expense Totals

Tax Year: _____

Name: _____

Year End Checklist

Starter Kit Refresh:

Review Starter Kit & note items to replenish or add in for demonstrations. List items & wholesale cost on a Sales Ticket labeled "Demo Items".

Personal Items Refresh:

Check your personal roll-up bag, note items to restock or try. List items & wholesale cost on a Sales Ticket labeled "Personal Use Items".

Take Inventory:

- Create a Mock order on InTouch & add items as you count your shelf.
- Print & label "20xx Ending Inventory" (Section 1 only; exclude Section 2).
- For Discontinued items not on the current order form, list on a Sales Ticket labeled "20xx Discontinued Items" for deductions.

December Orders:

Print all December Section 1 & 2 orders. In mid-January, print the Income Advisory Statement for orders from the other 11 months & submit to your accountant.

Document Ending Mileage:

Photograph ending odometers for all vehicles used for business & file with tax records.

Get a New Datebook:

File your current year datebook with your tax records.

CDS Orders:

If you didn't track CDS orders, email crconfidential@mkcorp.com with subject "Income Tax Return" & request a summary of your CDS orders.

Office Space:

Measure square footage of MK-only office space (including product closet or dedicated areas) Take a photo with no personal items visible & file with tax documents.

Info from YTD Weekly Accomplishment Sheet

Total Sold: _____ Total Giveaways: _____ Unrecovered Sales Tax: _____

Inventory Counts

Section 1 Wholesale Jan 1 _____

Section 1 Wholesale Dec 31 _____

This Year's Expenses

ADVERTISING: _____

MEALS & ENTERTAINMENT: _____

TRAVEL: _____

TRANSPORTATION: _____

EDUCATION: _____

CHARITABLE DONATIONS: _____

BAD DEBTS: _____

OFFICE EXPENSES: _____

• Computer/Internet _____

• Phone _____

• Apps & Software _____

• Maintenance Repairs _____

SERVICES/CONTRACTED LABOR: _____

• Cleaning Services _____

• Assistants _____

CAR EXPENSES: _____

• Gas _____

• Auto Insurance _____

• Lease Payments/Loan Interest _____

BUSINESS EXPENSES: _____

• Subscriptions _____

• Business Insurance _____

• Meeting Room/Studio Rent _____

• Postage & Delivery _____

• CDS Shipping Charges _____

• Prizes _____

• Uniform _____

MORTGAGE/RENT: _____

UTILITIES: _____

TOTAL SQUARE FOOTAGE OF HOME: _____

SQUARE FOOTAGE OF

HOME USED FOR BUSINESS: _____

HEALTH INSURANCE: _____

CHILD CARE: _____

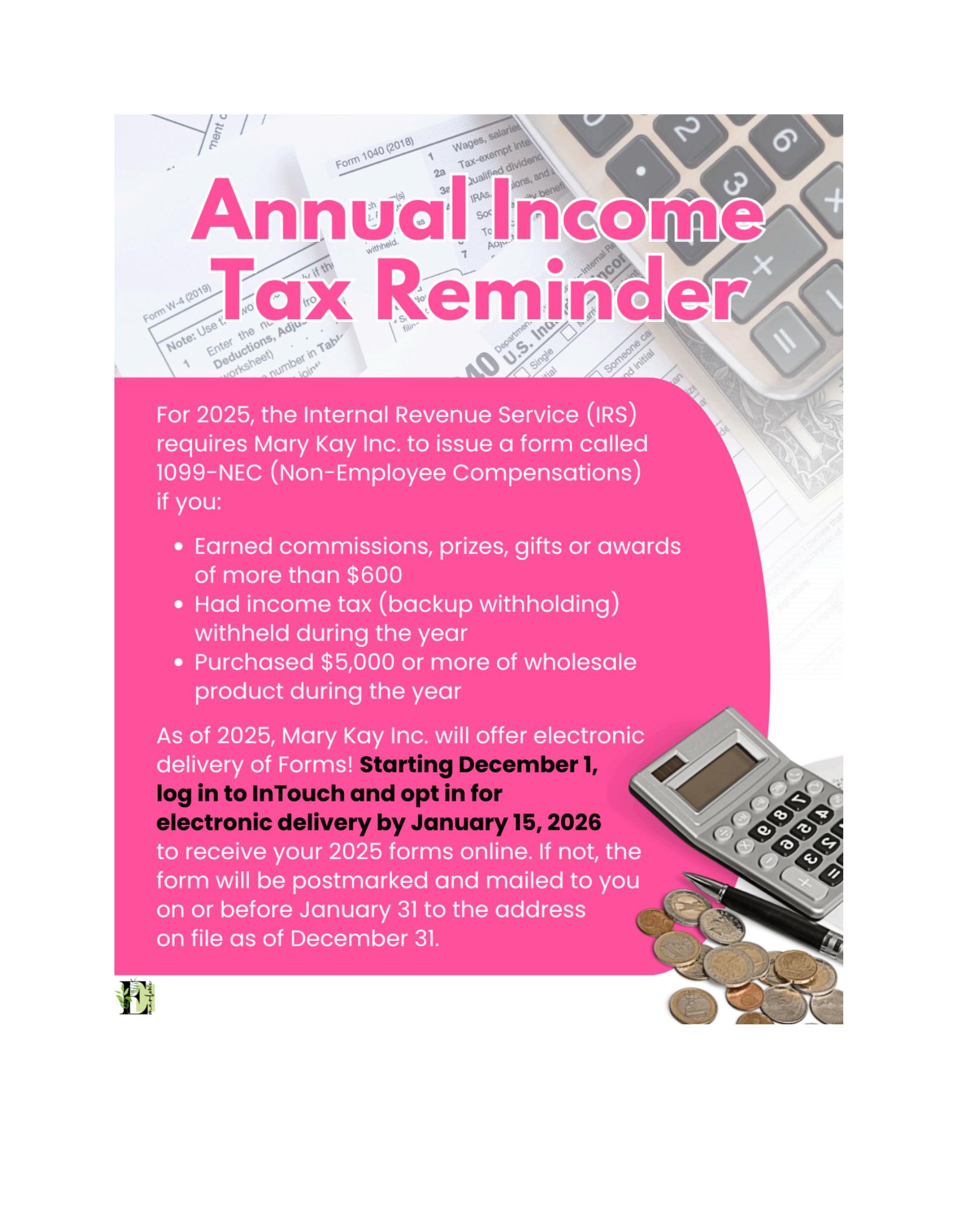
END OF YEAR MILEAGE: _____

*Bulleted Items = Subcategory

Write This year's totals for each category or subcategory on the line next to it.

As an Independent Contractor, you will want to consult with an accountant for any and all tax advice. This document is not intended as tax advice.





Annual Income Tax Reminder

For 2025, the Internal Revenue Service (IRS) requires Mary Kay Inc. to issue a form called 1099-NEC (Non-Employee Compensations) if you:

- Earned commissions, prizes, gifts or awards of more than \$600
- Had income tax (backup withholding) withheld during the year
- Purchased \$5,000 or more of wholesale product during the year

As of 2025, Mary Kay Inc. will offer electronic delivery of Forms! **Starting December 1, log in to InTouch and opt in for electronic delivery by January 15, 2026** to receive your 2025 forms online. If not, the form will be postmarked and mailed to you on or before January 31 to the address on file as of December 31.

