

Ohio State Barber Board

Special Interest Articles:

- Address Changes, Please inform the Board.
- New Board member
- No Increase in Licensing fees
- Small Business Tax Deduction
- Independent Contractor vs. Employee

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The Ohio State Barber Board

The Ohio State Barber Board is having a good year, financially sound and growing.

PLEASE BE SURE TO INFORM THE BARBER BOARD OF ANY ADDRESS CHANGE!

With the new budget submission, licensing fees were not increased. Licensing fees have not been increased since 2002.

OFFICE STAFF

Howard L. Warner
Executive Director

Lena Wright
Program Administrator

Linda Gonya
Administrative Assistant

Inspectors

David Allinger
Ed Highley
John Hobbs, III
Tom Printz

Ohio Barber Board Office

The Board welcomes John Korting as the new public Board member. John has had the experience of working for large corporations. For the past several years he has owned and operated a small business. He understands the mechanics of running a small business and will be a tremendous asset to the Board.

Board Member Connie Skaggs, is serving on the National Association of Barber Boards of America and is also very active in Barber's International.

Board Member Charlie Graf, remains Board Chairman.

Please visit the Ohio State Barber Board website @ www.barber.ohio.gov

Barbers International has individual health insurance policies available for Barbers. Barber International
Alan Laney
1-800-353-0059

STOP THE RESELL OF STOLEN GOODS!

The Barber Board's message to ALL Barbers and Barber shops is to follow Local and State laws when offering items for retail. Questions, please call the Board office.

CHECK OUT AND SUPPORT OUR VETS...BUY VETERAN NAVOBA

NOTICE:

The posting of the Communicable Disease Charts that the Barber Inspectors are distributing, is optional, not a requirement!

Please support the Ohio Barber Museum. To visit please call
Mike @ 614-833-1846



Ohio Licensed Barbers



Ready for some truly good news? For you and others in the Barber profession, we are happy to report that Governor Kasich's new state budget provides a 50% state income tax deduction for most small businesses. Beginning immediately, with the current tax season, a business owner can exclude 50 percent of Ohio net business income from the adjusted gross income they report on their Ohio personal income tax return. If the business has multiple owners, each is eligible to claim the deduction. This exclusion is available on up to \$250,000, meaning the deduction is capped at \$125,000 for each investor or owner. Owners of (and investors in) Ohio businesses structured as pass-through entities (PTEs) qualify for this new tax cut. PTEs are not taxed as a business by the federal or state government. Instead those owners/investors receiving income from the business pay federal and state personal income taxes on that income. PTEs include: sole proprietorships, partnerships, Subchapter S corporations (S-corps) and Limited Liability Companies (LLCs). Because your business is very likely to qualify for this new tax cut, this should be welcome news to you. For more information on this tax cut, please contact the Ohio Department of Taxation at 1-800-282-1780 or visit their website at www.tax.ohio.gov

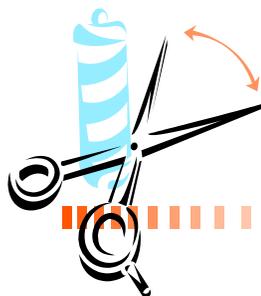
"The Barber Board depends on your input, your eyes and ears in helping to maintain the integrity of the Barbering Profession."

Have a great summer and fall!
Howard L. Warner
Executive Director

Independent Contractor or Employee

Which are you?

For federal tax purposes, this is an important distinction. Worker classification affects how you pay your federal income tax, social security and Medicare taxes, and how you file your tax return. Classification affects your eligibility for social security and Medicare benefits, employer provided benefits and your tax responsibilities. If you aren't sure of your work status, you should find out now. This brochure can help you.



The courts have considered many facts in deciding whether a worker is an independent contractor or an employee. These relevant facts fall into three main categories: behavioral control; financial control; and relationship of the parties. In each case, it is very important to consider all the facts – no single fact provides the answer. Carefully review the following definitions.

Behavioral Control

These facts show whether there is a right to direct or control how the worker does the work. A worker is an employee when the business has the right to direct and control the worker. The business does not have to actually direct or control the way the work is done – as long as the employer has the right to direct and control the work. For example:

Instructions – if you receive extensive instructions on how work is to be done, this suggests that you are an employee. Instructions can cover a wide range of topics, for example:

- how, when, or where to do the work
- what tools or equipment to use
- what assistants to hire to help with the work
- where to purchase supplies and services

If you receive less extensive instructions about what should be done, but not how it should be done, you may be an independent contractor. For instance, instructions about time and place may be less important than directions on how the work is performed.

Training – if the business provides you with training about required procedures and methods, this indicates that the business wants the work done in a certain way, and this suggests that you may be an employee.

Financial Control

These facts show whether there is a right to direct or control the business part of the work. For example:

Significant Investment – if you have a significant investment in your work, you may be an independent contractor. While there is no precise dollar test, the investment must have substance. However, a significant investment is not necessary to be an independent contractor.

Expenses – if you are not reimbursed for some or all business expenses, then you may be an independent contractor, especially if your unreimbursed business expenses are high.

Opportunity for Profit or Loss – if you can realize a profit or incur a loss, this suggests that you are in business for yourself and that you may be an independent contractor.

Relationship of the Parties

These are facts that illustrate how the business and the worker perceive their relationship. For example:

Employee Benefits – if you receive benefits, such as insurance, pension, or paid leave, this is an indication that you may be an employee. If you do not receive benefits, however, you could be either an employee or an independent contractor.

Written Contracts – a written contract may show what both you and the business intend. This may be very significant if it is difficult, if not impossible, to determine status based on other facts.

When You Are an Employee...

- Your employer must withhold income tax and your portion of social security and Medicare taxes. Also, your employer is responsible for paying social security, Medicare, and unemployment (FUTA) taxes on your wages. Your employer must give you a Form W-2, Wage and Tax Statement, showing the amount of taxes withheld from your pay.
- You may deduct unreimbursed employee business expenses on Schedule A of your income tax return, but only if you itemize deductions and they total more than two percent of your adjusted gross income.

When You Are an Independent Contractor...

- The business may be required to give you Form 1099-MISC, Miscellaneous Income, to report what it has paid to you.
- You are responsible for paying your own income tax and self-employment tax (Self-Employment Contributions Act – SECA). The business does not withhold taxes from your pay. You may need to make estimated tax payments during the year to cover your tax liabilities.
- You may deduct business expenses on Schedule C of your income tax return.



Human Trafficking Awareness

The Barbering Profession requires daily contact with many individuals. It is important that barbers are aware of all types of human trafficking, and that any such activities are being reported to the proper authorities. Human Trafficking is a form of modern day slavery. Human trafficking occurs all around the world. Nationally the United States State Department reports that 600,000 to 800,000 people are trafficked across the international borders each year. Nearly 20,000 of those victims are trafficked into the United States. Human trafficking is the second largest illegal enterprise in the world. Drugs are #1. All Ohio cities have issues of human trafficking. Toledo, Ohio is currently number four in the nation in terms of number of arrests, investigations and rescue of domestic minor sex trafficking victims among US cities. Some of the sex trade involves the following: prostitution, exotic dancing, pornography, sexual servitude, massage parlors, and servile marriage. Some involve labor trades such as factory workers, agricultural workers, nail salon workers, landscape workers, sweatshops, begging and trinket sales, hair braiders, magazine peddlers, restaurant help, hotel workers and casino servers. To report human trafficking in Ohio call: 1-888-373-7888 or 1-214-823-1911.