

# Tools for Industry Diversification & Entrepreneurship (TIDE) Webinar Series

## Tax Prep for Commercial Fishermen- Organize, File & Stay Compliant

Thursday April 3, 10-11am



# TIDE Webinar Series, Thursdays 10-11am

- **March 6** -Foundations for Financial Success- Organizing Your Business Finances
- **March 20**- Foundations for Financial Success- Planning & Budgeting
- **April 3**-Tax Prep for Commercial Fishing- Organize, File & Stay Compliant
- **April 17** -Funding Opportunities for Commercial Fishing
- **May 1**-Building Better Credit- Strengthening Your Financial Future





PRIORITIES

STORIES

RESOURCES

ABOUT US

GIVING

GET INVOLVED



*We boldly navigate climate and economic change with island and coastal communities to expand opportunities and deliver solutions.*

COMMUNITY INNOVATION FOR A STRONGER MAINE COAST

# Future of Fishing Toolkit

## Toolkit for Enhancing Economic Resilience for Fishing Families and Communities

Maine's lobstering communities depend on small business owners to keep their local economies strong, even as they face increasing economic, regulatory and climate pressures. This toolkit helps fishermen build resilient businesses, explore new economic opportunities, and expand their business skills.

Here, you'll find:

- **Webinars and Events:** Educational sessions covering topics from financial management to industry diversification strategies.
- **Business and Financial Resources:** Guidance on accessing grants, loans, and other financial support tools to sustain and grow your businesses.
- **Workforce Resources:** Opportunities to gain new skills and explore career pathways.



# Online Financial Tool Training for Lobster Fishermen - Profit Decoder

The screenshot shows the Profit Decoder website interface. At the top left is the Profit Decoder logo, followed by navigation links for 'Classes', 'Pricing', 'Wall of Love', and 'About'. On the top right are 'Log In' and 'Sign Up' buttons. The main content area features a 'PAST EVENT' tag above the title 'Online Financial Tool Training for Lobster Fishermen'. Below the title, it lists 'Free', '1 Hour', and 'Mar 7, 10:00 am ET'. To the right is a graphic of a lobster with a bar chart overlay. A white box with a signature is positioned over the top left of the lobster graphic.

## About the class

Island Institute, in partnership with Profit Decoder, is excited to offer a customized financial management tool designed specifically for Maine's lobster industry. This tool helps lobstermen gain greater control over their

Closed for sign-ups

Please check back soon or explore our other available classes





## Webinar - Navigating Lobster Tariffs

APRIL 3, 2025 - 1:00 PM - 2:00 PM

About this Webinar: Join Island Institute for an in-depth discussion on the potential impacts of lobster tariffs on Maine's marine economy, fishermen, and fishing-dependent communities. As global trade policies shift, new tariffs could drastically reshape the industry, affecting market access, pricing, and the livelihoods of those who depend on lobster...

LEARN MORE

Register Here:





## Webinar - Improving Your Lobstering Business with Profit Decoder

APRIL 4, 2025 - 10:00 AM - 11:00 AM

About this Webinar: Island Institute, in partnership with Profit Decoder, is excited to offer a customized financial management tool designed specifically for Maine's lobster industry. This tool helps lobstermen gain greater control over their business finances, make informed decisions, and navigate the challenges of an evolving industry. As part of...

[LEARN MORE](#)

Register Here:



# Welcome & Housekeeping

- Thank you for being here today
- This webinar is being recorded, we will share it later
- We will send you the slide deck
- Please ask questions!
- [jfrank@islandinstitute.org](mailto:jfrank@islandinstitute.org) or [jenn.dobransky@maine.edu](mailto:jenn.dobransky@maine.edu)





# Maine SBDC

No-cost, confidential, statewide, individualized business advising for current and aspiring small business owners

- Business Planning
- Strategy & Growth
- Financing
- Marketing
- Operations & Management
- Buying/Selling / Exit Planning
- And More!

*Our mission is to assist Maine entrepreneurs in the creation, growth, and success of their small businesses.*



# Goals for today

- Learn about what is needed to organize your financial records and prepare your federal taxes
  - Recordkeeping
  - Expenses
  - Different types of taxes and tax forms required
- Reflect on where you are in your process
- Help you feel confident and be ready
- Questions

# Disclaimer

- No specific tax answers for individual businesses
- No in-depth tax preparation guidance only an accountant can provide
- No specifics outside the scope of sole-proprietors/ single member LLCs

# Reminder- SE vs wages earned

- Self-employed people must keep track of our own income, estimate how much tax we owe, and make estimated tax payments throughout the year.
- When you work for someone else, you get a W-2 from your employer at the end of the year telling you exactly how much money you earned.
- When you're self-employed, you have to figure that out yourself. That means you must keep accurate records of how much money you earn for the work you do and how much you spend to operate your business.
- **This record keeping is solely your responsibility.**

# Organization/ Recordkeeping Qs

- Do you have a separate bank account for your business?
- How are you keeping track of your business finances?
  - Understand what you are tracking (income & expenses)
  - Start using a system now and refine as you go
- **Effective recordkeeping is the backbone of managing tax obligations for commercial fishermen**

# Tracking Income

- Sale of your catch (wholesale, processors, direct to consumer)
- Subsidies, grants, insurance claims (taxable income)
- Need detailed invoices, receipts, and records for accurate income reporting but also in tracking profitability of each catch and sales channels

# Expenses

- Do you know what your expenses are?
- Records of Business Transactions
- Supporting Documents
  - All business transactions generate supporting documents (receipts!)
  - Credit card/ bank statements are not enough

# Deductible Expenses

- “To be deductible, an expense must be both ordinary and necessary.”
- An ordinary expense is one that is common and accepted in your field of business, trade, or profession.
- A necessary expense is one that is helpful and appropriate for your business, trade, or profession.
- [irs.gov/Businesses/Small-Businesses-&Self-Employed/Deducting-Business-Expenses](https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Deducting-Business-Expenses)
- Does it have a business purpose?



# Ask yourself these 3 questions

- Is this expense **necessary** for the business?
- Is this expense **customary** in the industry?
- Is this expense **reasonable** for the business?

# Helpful Hint-Check out the Schedule C

<b>Part II Expenses.</b> Enter expenses for business use of your home <b>only</b> on line 30.							
8	Advertising . . . . .	8		18	Office expense (see instructions) . . . . .	18	
9	Car and truck expenses (see instructions) . . . . .	9		19	Pension and profit-sharing plans . . . . .	19	
10	Commissions and fees . . . . .	10		20	Rent or lease (see instructions):		
11	Contract labor (see instructions)	11		a	Vehicles, machinery, and equipment	20a	
12	Depletion . . . . .	12		b	Other business property . . . . .	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions) . . . . .	13		21	Repairs and maintenance . . . . .	21	
14	Employee benefit programs (other than on line 19) . . . . .	14		22	Supplies (not included in Part III) . . . . .	22	
15	Insurance (other than health)	15		23	Taxes and licenses . . . . .	23	
16	Interest (see instructions):			24	Travel and meals:		
a	Mortgage (paid to banks, etc.)	16a		a	Travel . . . . .	24a	
b	Other . . . . .	16b		b	Deductible meals (see instructions)	24b	
17	Legal and professional services	17		25	Utilities . . . . .	25	
				26	Wages (less employment credits)	26	
				27a	Other expenses (from line 48) . . . . .	27a	
				b	Energy efficient commercial bldgs deduction (attach Form 7205) . . . . .	27b	

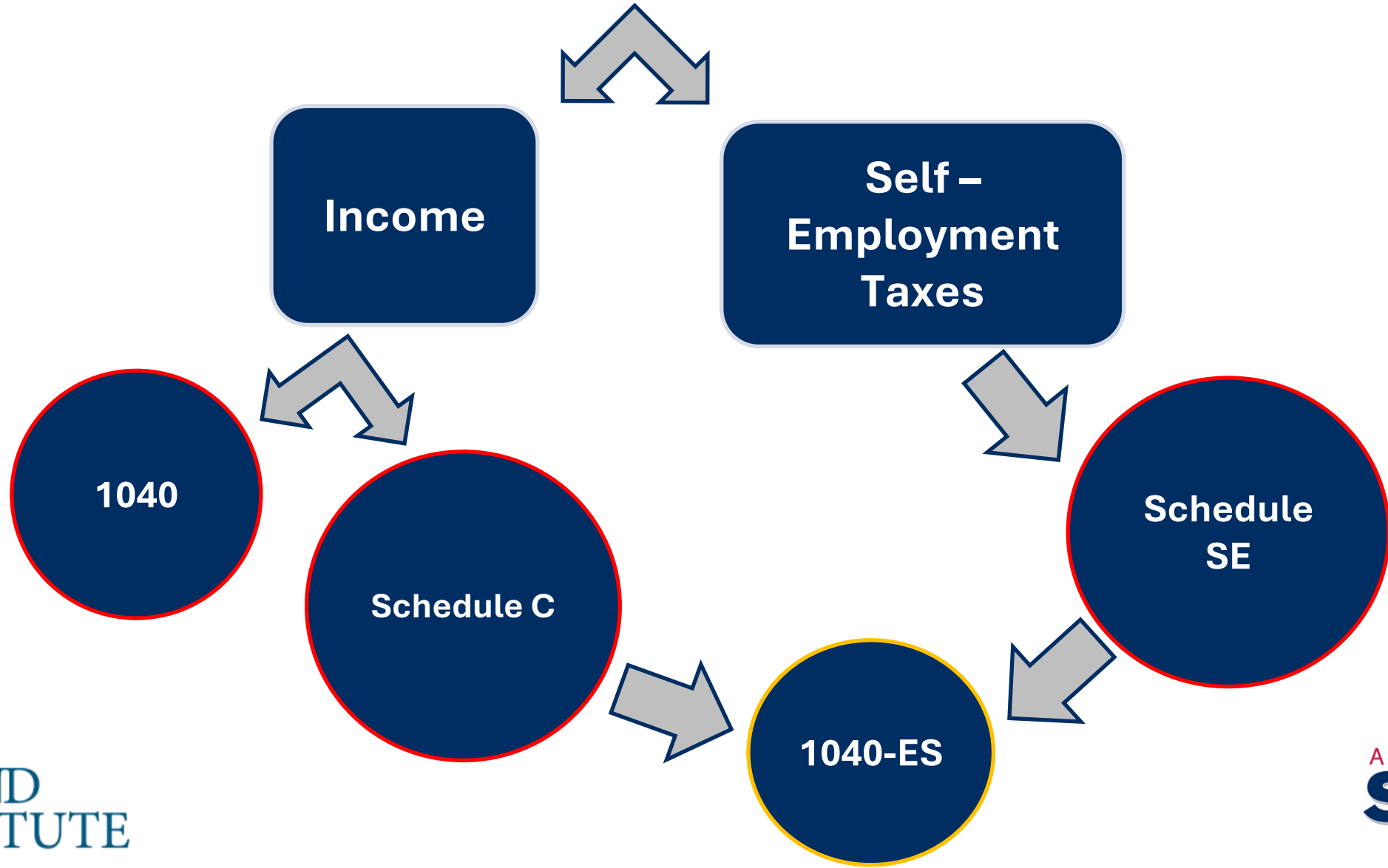
# Typical Expenses for Commercial Fishing

- Fuel
- Maintenance & repairs (vessel, nets, traps, buoys, lines, other gear)
- Bait
- Crew wages
- Supplies- tools
- Cell phone(s) (typically a percentage)
- On-board electronics
- Food-groceries (days at sea/out of port), meals with business purpose
- Licenses & fees
- Legal and accounting fees
- Insurance
- Depreciation
- Vehicle

# Different Types of Taxes and IRS Tax Forms



# Taxes for Self Employed



# Income Tax

- Income tax- pay as you go tax based on net
- Subtract business expenses from your income
- Form 1040 & Schedule C

# Schedule C- Profit/Loss from Business

- Determines what you made or lost in your business
- Has five sections

# Schedule C, Section I- Income

- List all income in your household and calculate gross

<b>Part I</b>		<b>Income</b>	
<b>1</b>	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked . . . . . <input type="checkbox"/>	<b>1</b>	
<b>2</b>	Returns and allowances . . . . .	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1 . . . . .	<b>3</b>	
<b>4</b>	Cost of goods sold (from line 42) . . . . .	<b>4</b>	
<b>5</b>	<b>Gross profit.</b> Subtract line 4 from line 3 . . . . .	<b>5</b>	
<b>6</b>	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) . . . . .	<b>6</b>	
<b>7</b>	<b>Gross income.</b> Add lines 5 and 6 . . . . .	<b>7</b>	



# Schedule C, Section II- Expenses

- Subtract your business expenses and calculate net profit or loss

<b>Part II Expenses.</b> Enter expenses for business use of your home <b>only</b> on line 30.							
8	Advertising . . . . .	8		18	Office expense (see instructions) . . . . .	18	
9	Car and truck expenses (see instructions) . . . . .	9		19	Pension and profit-sharing plans . . . . .	19	
10	Commissions and fees . . . . .	10		20	Rent or lease (see instructions):		
11	Contract labor (see instructions)	11		a	Vehicles, machinery, and equipment	20a	
12	Depletion . . . . .	12		b	Other business property . . . . .	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions) . . . . .	13		21	Repairs and maintenance . . . . .	21	
14	Employee benefit programs (other than on line 19) . . . . .	14		22	Supplies (not included in Part III) . . . . .	22	
15	Insurance (other than health)	15		23	Taxes and licenses . . . . .	23	
16	Interest (see instructions):			24	Travel and meals:		
a	Mortgage (paid to banks, etc.)	16a		a	Travel . . . . .	24a	
b	Other . . . . .	16b		b	Deductible meals (see instructions)	24b	
17	Legal and professional services	17		25	Utilities . . . . .	25	
				26	Wages (less employment credits)	26	
				27a	Other expenses (from line 48) . . . . .	27a	
				b	Energy efficient commercial bldgs deduction (attach Form 7205) . . . . .	27b	

# Schedule C, Section III- Expenses

- Cost of Good Sold/ Direct Costs for operation

<b>Part III Cost of Goods Sold</b> (see instructions)	
33	Method(s) used to value closing inventory: <b>a</b> <input type="checkbox"/> Cost <b>b</b> <input type="checkbox"/> Lower of cost or market <b>c</b> <input type="checkbox"/> Other (attach explanation)
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation . . . . . <b>35</b>
36	Purchases less cost of items withdrawn for personal use . . . . . <b>36</b>
37	Cost of labor. Do not include any amounts paid to yourself . . . . . <b>37</b>
38	Materials and supplies . . . . . <b>38</b>
39	Other costs . . . . . <b>39</b>
40	Add lines 35 through 39 . . . . . <b>40</b>
41	Inventory at end of year . . . . . <b>41</b>
42	<b>Cost of goods sold.</b> Subtract line 41 from line 40. Enter the result here and on line 4 . . . . . <b>42</b>

# COGS for Commercial Fishing

## 1. Bait & Ice

- Live or frozen bait
- Ice for preserving catch

## 2. Fuel & Oil

- Diesel or gasoline for boats
- Engine oil and lubricants

## 3. Fishing Gear & Equipment

- Nets, traps, and lines
- Hooks, buoys, and sinkers
- Ropes and winches
- Poles and rods

## 4. Boat & Vessel Costs (Direct Use)

- Routine maintenance & minor repairs
- Depreciation of boats used directly in fishing
- Fishing-specific modifications

## 5. Crew Wages (Direct Labor)

- Pay for deckhands, captains, and crew involved in harvesting
- Crew bonuses based on catch

## 6. Permits & Licenses (Fishing-Specific)

- Commercial fishing permits
- Quota or catch share fees

## 7. Docking & Landing Fees

- Harbor docking fees for offloading
- Fish market or co-op landing fees

## 8. Packaging & Processing (If Applicable)

- Boxes, totes, or bags for fish transport
- Refrigeration or freezing costs before sale

## 9. Equipment Depreciation (Direct Use)

- Wear and tear on fishing-related equipment
- Depreciation of large fishing-related assets



# Schedule C, Section IV- Expenses

- Use of your vehicle for business

**Part IV** **Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month/day/year)     /  /

44 Of the total number of miles you drove your vehicle during 2024, enter the number of miles you used your vehicle for:

a Business     b Commuting (see instructions)     c Other

45 Was your vehicle available for personal use during off-duty hours?     Yes     No

46 Do you (or your spouse) have another vehicle available for personal use?     Yes     No

47a Do you have evidence to support your deduction?     Yes     No

b If "Yes," is the evidence written?     Yes     No

# Schedule C, Section V- Expenses

- List expenses not listed in Section II

<b>Part V Other Expenses.</b> List below business expenses not included on lines 8–26, line 27b, or line 30.	
<b>48</b> Total other expenses. Enter here and on line 27a . . . . .	<b>48</b>

# Self Employment Tax

**SCHEDULE SE**  
**(Form 1040)**

Department of the Treasury  
Internal Revenue Service

## Self-Employment Tax

Attach to Form 1040, 1040-SR, 1040-SS, or 1040-NR.  
Go to [www.irs.gov/ScheduleSE](http://www.irs.gov/ScheduleSE) for instructions and the latest information.

OMB No. 1545-0074

**2024**  
Attachment  
Sequence No. **17**

Name of person with self-employment income (as shown on Form 1040, 1040-SR, 1040-SS, or 1040-NR)	Social security number of person with <b>self-employment</b> income
--	---

**Part I Self-Employment Tax**

**Note:** If your only income subject to self-employment tax is **church employee income**, see instructions for how to report your income and the definition of church employee income.

**A** If you are a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361, but you had \$400 or more of **other** net earnings from self-employment, check here and continue with Part I . . . . .

Skip lines 1a and 1b if you use the farm optional method in Part II. See instructions.

<b>1a</b> Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A . . . . .	<b>1a</b>	
<b>b</b> If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AQ . . . . .	<b>1b</b>	( )

Skip line 2 if you use the nonfarm optional method in Part II. See instructions.

<b>2</b> Net profit or (loss) from Schedule C, line 31; and Schedule K-1 (Form 1065), box 14, code A (other than farming). See instructions for other income to report or if you are a minister or member of a religious order . . . . .	<b>2</b>	
<b>3</b> Combine lines 1a, 1b, and 2 . . . . .	<b>3</b>	
<b>4a</b> If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3 . . . . .	<b>4a</b>	
<b>Note:</b> If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.		
<b>b</b> If you elect one or both of the optional methods, enter the total of lines 15 and 17 here . . . . .	<b>4b</b>	
<b>c</b> Combine lines 4a and 4b. If less than \$400, <b>stop</b> ; you don't owe self-employment tax. <b>Exception:</b> If less than \$400 and you had <b>church employee income</b> , enter -0- and continue . . . . .	<b>4c</b>	
<b>5a</b> Enter your <b>church employee income</b> from Form W-2. See instructions for definition of church employee income . . . . .	<b>5a</b>	
<b>b</b> Multiply line 5a by 92.35% (0.9235). If less than \$100, enter -0- . . . . .	<b>5b</b>	
<b>6</b> Add lines 4c and 5b . . . . .	<b>6</b>	
<b>7</b> Maximum amount of combined wages and self-employment earnings subject to social security tax or		



# Self Employment Tax

10	Multiply the <b>smaller</b> of line 6 or line 9 by 12.4% (0.124) . . . . .	10	
11	Multiply line 6 by 2.9% (0.029) . . . . .	11	
12	<b>Self-employment tax.</b> Add lines 10 and 11. Enter here and on <b>Schedule 2 (Form 1040), line 4, or Form 1040-SS, Part I, line 3</b> . . . . .	12	
13	<b>Deduction for one-half of self-employment tax.</b> Multiply line 12 by 50% (0.50). Enter here and on <b>Schedule 1 (Form 1040), line 15</b> . . . . .	13	

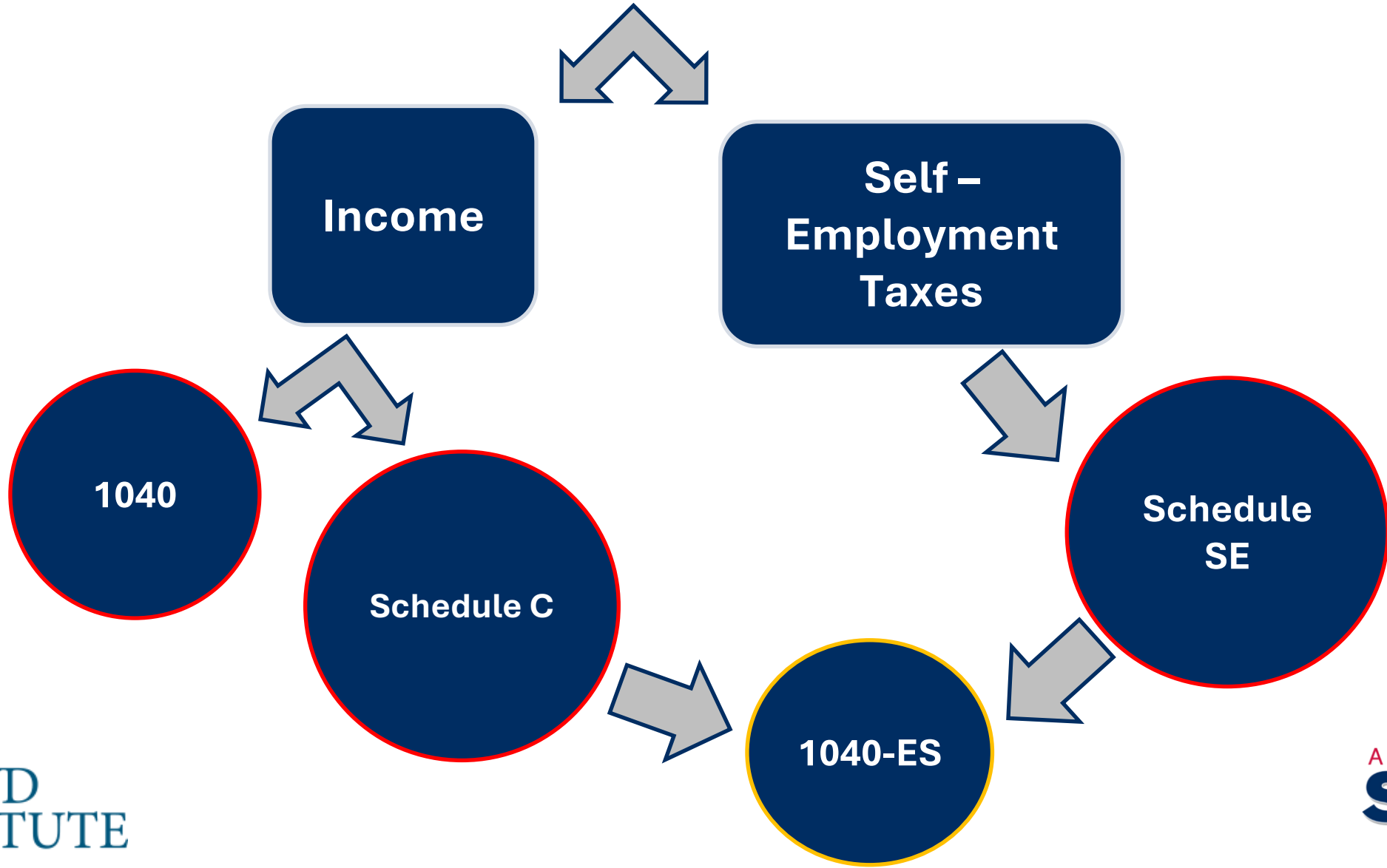
- Self Employment tax (15.3%)- social security (12.4%) & medicare (2.9%) contribution
- If your net earnings from SE is >\$400
- Line 13 allows you to deduct 50% of your SE tax

# Annual Tax Forms Review

- 1040
- Schedule C/ Profit & Loss from Business
- Schedule SE/ Self Employment Tax



# Taxes for Self Employed



# Estimated Taxes/ 1040 ES

- Includes your total tax liability
- Required if you owe more than \$1K in taxes
- Due April 15 (Q1), June 16 (Q2), September 15 (Q3), January 15 (Q4)

Form <b>1040-ES</b> Department of the Treasury Internal Revenue Service	<h2>2025 Estimated Tax</h2>	<b>Payment Voucher 1</b> OMB No. 1545-0074		
File only if you are making a payment of estimated tax by check or money order. Mail this voucher with your check or money order payable to "United States Treasury." Write your social security number and "2025 Form 1040-ES" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.		<b>Calendar year – Due April 15, 2025</b> Amount of estimated tax you are paying by check or money order. <input style="width: 100px; height: 20px;" type="text"/>		
Pay online at <a href="http://www.irs.gov/etpay">www.irs.gov/etpay</a>  <b>Simple. Fast. Secure.</b>	<b>Print or type</b>	Your first name and middle initial <input style="width: 100%; height: 20px;" type="text"/>	Your last name <input style="width: 100%; height: 20px;" type="text"/>	Your social security number <input style="width: 100%; height: 20px;" type="text"/>
	If joint payment, complete for spouse			
	Spouse's first name and middle initial <input style="width: 100%; height: 20px;" type="text"/>	Spouse's last name <input style="width: 100%; height: 20px;" type="text"/>	Spouse's social security number <input style="width: 100%; height: 20px;" type="text"/>	
	Address (number, street, and apt. no.) <input style="width: 100%; height: 20px;" type="text"/>			
	City, town, or post office. If you have a foreign address, also complete spaces below. <input style="width: 100%; height: 20px;" type="text"/>	State <input style="width: 100%; height: 20px;" type="text"/>	ZIP code <input style="width: 100%; height: 20px;" type="text"/>	
	Foreign country name <input style="width: 100%; height: 20px;" type="text"/>	Foreign province/county <input style="width: 100%; height: 20px;" type="text"/>	Foreign postal code <input style="width: 100%; height: 20px;" type="text"/>	



# Special Rules for Fishing (& Farming)

- If your fishing income is at least  $\frac{2}{3}$  (66.67%) of your total gross income and you have not made any estimated tax payments, you can make a single estimated tax payment in Q4 (January 15 of the following year) to avoid penalties
- If your fishing income is at least  $\frac{2}{3}$  (66.67%) of your total gross income and you have not made any estimated tax payments, you must file and pay your full tax obligations by March 1 (3/3/25) to avoid paying quarterly
- If you are making estimated payments, you can file on the regular deadline (4/15/25)

# How much to set aside?

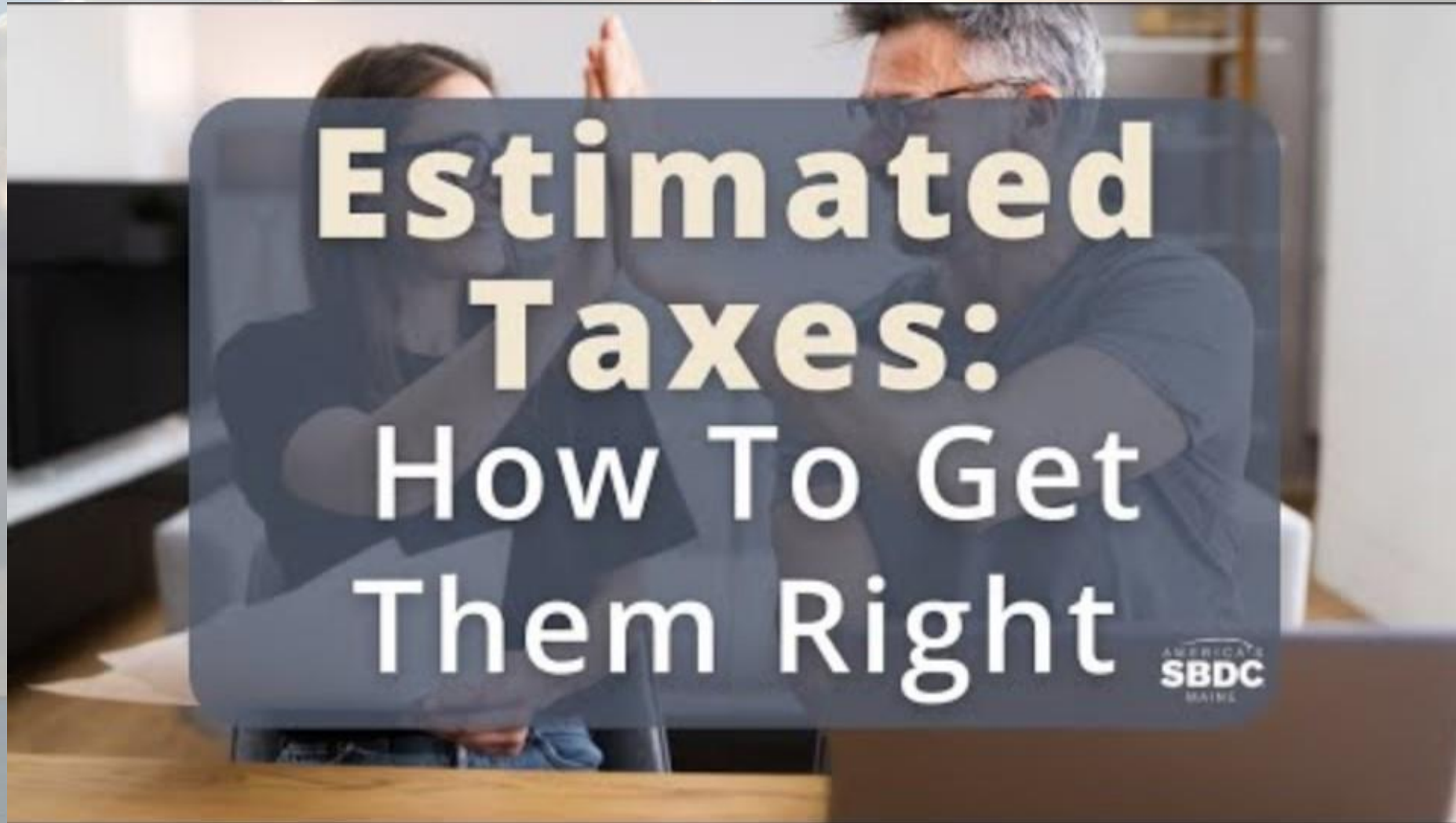
- 30% is a good estimate
  - 15-20% Federal Income Tax
  - 5-7% Maine Income Tax
  - 15.3% Self Employment Tax (some of this is deductible)



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# More on Estimated Taxes



- <https://youtu.be/bF74ieZ1yCQ?si=GHZdsRwvllC98wK5>



# Deductible Vehicle Expenses

- 2 methods- Actual or mileage (choose one and stick to it!)
- Recorded on Schedule C. **You must keep a log.**
- Commuting mileage is NOT counted
- 2024 mileage rate- .67/mile
- 2025 rate- .70/mile

# Deductible Vehicle Expense

**Part IV** **Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month/day/year)     /  /

44 Of the total number of miles you drove your vehicle during 2024, enter the number of miles you used your vehicle for:

a Business     b Commuting (see instructions)     c Other

45 Was your vehicle available for personal use during off-duty hours?     Yes     No

46 Do you (or your spouse) have another vehicle available for personal use?     Yes     No

47a Do you have evidence to support your deduction?     Yes     No

b If "Yes," is the evidence written?     Yes     No



# Business Use of Home

Form <b>8829</b>	<b>Expenses for Business Use of Your Home</b>	OMB No. 1545-0074
Department of the Treasury Internal Revenue Service	File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year. Go to <a href="http://www.irs.gov/Form8829">www.irs.gov/Form8829</a> for instructions and the latest information.	<b>2024</b> Attachment Sequence No. <b>176</b>
Name(s) of proprietor(s)		Your social security number

**Part I Part of Your Home Used for Business**

1	Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions)	1	
2	Total area of home	2	
3	Divide line 1 by line 2. Enter the result as a percentage	3	%
<b>For daycare facilities not used exclusively for business, go to line 4. All others, go to line 7.</b>			
4	Multiply days used for daycare during year by hours used per day	4	hr.
5	If you started or stopped using your home for daycare during the year, see instructions; otherwise, enter 8,784	5	hr.
6	Divide line 4 by line 5. Enter the result as a decimal amount	6	.
7	Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3	7	%

**Part II Figure Your Allowable Deduction**

8	Enter the amount from Schedule C, line 29, plus any gain derived from the business use of your home, minus any loss from the trade or business not derived from the business use of your home. See instructions.	8	
See instructions for columns (a) and (b) before completing lines 9-22.			
		(a) Direct expenses	(b) Indirect expenses
9	Casualty losses (see instructions)	9	
10	Deductible mortgage interest (see instructions)	10	
11	Real estate taxes (see instructions)	11	
12	Add lines 9, 10, and 11	12	
13	Multiply line 12, column (b), by line 7	13	
14	Add line 12, column (a), and line 13	14	
15	Subtract line 14 from line 8. If zero or less, enter -0-	15	
16	Excess mortgage interest (see instructions)	16	
17	Excess real estate taxes (see instructions)	17	
18	Insurance	18	
19	Rent	19	
20	Repairs and maintenance	20	
21	Utilities	21	
22	Other expenses (see instructions)	22	

- If you are managing your fishing records from home
- Must meet regular & exclusive rule





# Fuel Tax Credit

Form **4136**

Department of the Treasury  
Internal Revenue Service

## Credit for Federal Tax Paid on Fuels

Go to [www.irs.gov/Form4136](http://www.irs.gov/Form4136) for instructions and the latest information.

Complete and attach the Statement Supporting Fuel Tax Credit (FTC) Computation-1 to your return (see instructions).

OMB No. 1545-0162

**2024**

Attachment  
Sequence No. **79**

Name (as shown on your income tax return)

Taxpayer identification number

### Caution:

The person(s) signing the return with which this form is filed are declaring, under penalty of perjury, that the return and accompanying schedules, statements, and any other attachments are true, correct, and complete to the best of the signer's knowledge and belief. That declaration includes all amounts reported and all credits claimed on this form. It also includes certifying that all the statements for certain lines below are true as well.

You have the name and address of the person who sold the fuel to you and the dates of purchase. For claims on lines 1c and 2b (type of use 13 or 14), 3d, 4c, and 5, you haven't waived the right to make the claim. For claims on lines 1c and 2b (type of use 13 or 14), a certificate hasn't been provided to the credit card issuer. For type of use 2, the equipment or vehicle used wasn't a highway vehicle, which generally means that it wasn't registered or required to be registered for use on public highways.

### 1 Nontaxable Use of Gasoline

Note: CRN is the credit reference number.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Off-highway business use	\$ .183	}	\$	362
b	Use on a farm for farming purposes	.183			
c	Other nontaxable use (see <b>Caution</b> above line 1)	.183			
d	Exported	.184			411



# Review/ Tips for Success

- Filing taxes requires careful planning and record keeping due to fluctuating income and industry specific deductions
  - Have a separate banking account
  - Have a record keeping system to record all financial activity- receipts, invoices, logs (physical and/or digital)
  - Understand your expense categories
- Save (up to) 30% of your income for taxes, have a separate savings account for taxes
- Know how much SE tax is due and when
- Save records for 7 years

# Tax Checklist for Commercial Fishermen

## Income Tracking

- ✓ Fish sales (dockside sales, wholesale, retail, auctions)
- ✓ Government subsidies or grants
- ✓ Charter services or guided fishing trips
- ✓ Bycatch sales or secondary income
- ✓ Insurance claims for lost/damaged equipment

## Expense Tracking

- ✓ Boat-related costs (fuel, maintenance, repairs)
- ✓ Gear and equipment (nets, traps, lines, buoys, hooks)
- ✓ Bait and ice expenses
- ✓ Docking and mooring fees
- ✓ License and permit fees (fishing licenses, vessel registration)
- ✓ Crew wages and benefits
- ✓ Safety equipment (PFDs, EPIRBs, first aid kits)
- ✓ Insurance (boat, liability, health, workers' compensation)



# Self Employment Tax Organizer

## Self-Employment Tax Organizer- Commercial Fishing

Business Name	
Name(s)	
Address	
Email (s)	
Phone (s)	Start date

Health insurance premiums last year? Total- \_\_\_\_\_  
 (Please include form 1095A)

Did you pay estimated tax payments? Total- \_\_\_\_\_

### Part I- Income

Sales from all sources	\$
W2 income	\$
<u>Other 1</u>	\$
<u>Other 2</u>	\$
Total Gross Income	\$

### Part II- Business Expenses

Advertising	\$	Overnight travel	\$
Commissions and fees	\$	Business utilities	\$
Business insurance	\$	Professional education	\$
Interest (loans or cc)	\$	Bank charges	\$
Legal/Professional fees	\$	Uniforms	\$
Office supplies	\$	Freight & postage	\$
Rent/lease of property/equip	\$	Dues & publications	\$
Repairs/maintenance	\$	Phone (second line only)	\$





## Webinar - TIDE Series: Funding Opportunities for Commercial Fishing

APRIL 17, 2025 - 10:00 AM - 11:00 AM

Island Institute and the Small Business Development Centers of Maine have partnered to host the Tools for Industry Diversification and Entrepreneurship (TIDE) webinar series. From budgeting and bookkeeping to tax preparation, credit building, and financing, each webinar offers practical strategies tailored for lobster fishing families and businesses. Participants will find the...

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# Questions?



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# How did we do?



THANK YOU