SMITH TAX AND BOOKS

The Creative Business Starter Kit

Set up, price, track, and sell your creative work with confidence — before your first booth, launch, or online sale.

Inside this kit:

1 · Business Setup Checklist — LLC, EIN, permits, and your first market
2 · Creative Expense Tracker — a simple system to protect your profit
3 · Pricing Formula — price handmade work with confidence
4 · Sales Tax Cheat Sheet — collect, remit, and stay compliant
5 · Vendor Booth Profit Calculator — track sales and booth profitability

Who This Is For

Ceramic artists, painters, jewelry makers, candle makers, resin artists, clay artists, woodworkers, crochet vendors, mixed-media artists, and handmade sellers who want to move from informal selling to a more organized, profitable creative business.

- Stop winging it
- Set up the right business before selling
- Get organized
- Price work to protect profit, time, and materials
- Feel confident running their creative business

Why This Starter Pack Matters

Most creatives lose money, undercharge, and feel overwhelmed because they don't have the foundational documents that make a business legit and profitable. This pack gives you the exact 5 documents you need to stop guessing and start growing.

Use this kit as an educational starting point; business registration, tax rules, permits, and sales tax requirements vary by state and should be verified with the appropriate agency or qualified professional.

Creative Vendor Business Setup Checklist

Everything you need before selling your art — simple, clear, legit.

1 LLC vs Sole Proprietor

- ☐ LLC: Protects your personal assets if something goes wrong.
- ☐ Sole Prop: Easiest setup — but you and the business are legally the same.

2 EIN (Employer Identification Number)

- ☐ Free from IRS.gov
- ☐ Needed for bank accounts, taxes, wholesale accounts
- ☐ Even Sole Props should get one (don't use your SSN everywhere)

3 Seller's Permit

- ☐ Required in most states to legally collect sales tax
- ☐ Needed for markets, fairs, pop-ups
- ☐ Usually free

4 Business Bank Account

- ☐ Separates business + personal money
- ☐ Required for LLCs
- ☐ Makes taxes and bookkeeping clean
- ☐ Use this account for ALL business income + expenses

5 Sales Tax Registration

- ☐ State assigns filing frequency (monthly, quarterly, yearly)
- ☐ You must collect sales tax on taxable items
- ☐ You must remit what you collect

6 Before Your First Market

- ☐ Price every item using a real formula
- ☐ Create an inventory list
- ☐ Prepare a simple expense tracker
- ☐ Bring your seller's permit
- ☐ Set up Square/Stripe
- ☐ Pack bags, business cards, signage
- ☐ Know your sales tax rate
- ☐ Set a booth profit goal (ex: $300 minimum)

7 After Your First Sale

- ☐ Log the sale
- ☐ Log materials used
- ☐ Log booth fees/market expenses
- ☐ Review best-selling items
- ☐ Set aside sales tax collected
- ☐ Update pricing if needed
- ☐ **Celebrate — you're officially a business**

Creative Expense Tracker

Starter Version

A simple, clean way to track your business expenses and protect your profit.

“How do I track expenses?”

Most creatives lose money because they don't track what they spend. This starter tracker gives you a simple, beginner-friendly system to stay organized, understand your costs, and make confident pricing decisions.

Starter Categories

Track every expense in your creative business using these core categories:

Materials	clay, paint, resin, wax, beads, yarn, canvases
Tools	brushes, molds, cutters, equipment
Booth Fees	vendor fees, table rentals, electricity
Mileage	travel to markets, supply runs
Software	Canva, website hosting, editing apps
Marketing	business cards, flyers, ads
Write-offs	anything used only for business
Profit Summary	total spent vs total earned

Mini Table Preview

A small visual sample — not the full tracker.

Date	Category	Item	Cost	Notes
7/22	Materials	Resin	$18	Michaels
7/22	Booth Fee	Market	$40	Saturday Market
7/23	Tools	Silicone Mold	$12	Amazon

Date	Category	Item	Cost	Notes

Download the Full Spreadsheet to Track Profit Faster

(With Formulas)

Use the spreadsheet to turn the preview into an auto-calculating tracker for expenses, categories, totals, and profit.

Auto-calculating totals · Profit summary · Drop-down categories · Clean, minimalist layout

▸ **Click to download: Excel Sheet Here**

▸ *Scan to download:*

The Pricing Formula

for Handmade + Art Sellers

If you've ever priced a piece by feel, then panicked when someone asked, "why so expensive?" this fixes that for good.

The Core Formula

Materials + Time + Overhead = Base Cost

Base Cost ÷ (1 − Profit Margin) = Retail Price

Materials
Every supply that goes into the piece — paint, canvas, clay, glaze, packaging, tags. Don't round down; small supplies add up over a year.

Time
Track real hours start to finish (including drying/curing/firing time), then: Hours × Your Hourly Rate = Time Cost. Use a rate that reflects your skill, not minimum wage — \$20–\$40/hr is a common starting range.

Overhead
Fixed costs whether or not you sell — studio/home space, utilities, tools, platform fees, insurance: Monthly Overhead ÷ Pieces Made per Month = Overhead per Piece.

Profit Margin
Separate from paying yourself for time — this is what grows the business. 20–40% is a healthy standard.

Adjusting for Where You Sell

Booth / Craft Show Markup

Covers booth fees, travel, and in-person discounting:

Retail Price × 1.10–1.20 = Booth Price

Wholesale Formula

Shops typically double wholesale for their own retail markup, so calculate wholesale independently with your full margin built in — don't just halve retail:

Base Cost ÷ (1 − Profit Margin) = Wholesale Price

Example: 16x20 Acrylic Pour

Line Item	Amount
Materials (canvas, paint, pouring medium, varnish)	\$28
Time: 2.5 hrs × \$30/hr	\$75
Overhead (\$400/mo ÷ 20 pieces)	\$20
Base Cost	**\$123**
Profit Margin (30%): Base Cost ÷ (1 − 0.30)	\$175.71
Retail Price (rounded)	**\$176**
Booth Price (Retail × 1.15)	\$202
Wholesale Price (same 30% margin on Base Cost)	\$175.71 → \$88

Quick Reference

- Base Cost = Materials + Time + Overhead
- Retail Price = Base Cost ÷ (1 − Profit Margin)
- Booth Price = Retail Price × 1.10–1.20
- Wholesale Price = Base Cost ÷ (1 − Profit Margin), calculated on its own — not half of retail

Once your price comes from a formula instead of a feeling, you stop apologizing for it — and that's a price you can say out loud without flinching.

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Sales Tax Cheat Sheet for Vendors

Everything you need to collect, remit, and stay compliant — without the overwhelm.

“How do I pay taxes?”

1 When to Collect

- At the time of sale — in person or online.
- Only on taxable sales in states where you have nexus.
- Rate is set by your state (and sometimes county/city).

2 How to Collect

- Add tax at checkout via your POS (Square, Stripe, etc.).
- Show it as its own line item — never baked into price.
- Double-check your rate stays current all year.

3 How to Remit

- File and pay through your state's tax portal.
- Frequency is assigned by your state — monthly, quarterly, or yearly.
- File on time even for $0 periods — most states still require it.

4 What’s Taxable

- Most tangible goods — art, jewelry, ceramics, prints.
- Some services, depending on your state.
- Shipping/handling — sometimes taxable, so check your state.

5 What’s Non-Taxable

- Items resold with a valid resale certificate.
- Certain goods your state specifically exempt.
- Out-of-state sales may follow different rules.

6 Avoid Common Mistakes

- Don't skip filing during $0 sales periods.
- Don't spend collected tax — set it aside immediately.
- Don't guess your rate — verify it on your state's site.

Rules vary by state — always confirm specifics with your state's Department of Revenue.

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Vendor Booth Profit Calculator

Mini Version — track it, tally it, take it to your next market.

“How do I make my booth profitable?”

Track Your Inventory

List every item you're bringing, then fill in the numbers as they sell.

Item	Cost/Item	Price/Item	Profit/Item	Qty Sold	Total Profit

QUICK MATH

Profit per Item = Price − Cost

Total Booth Profit = sum of (Profit per Item × Qty Sold) for every item

Average Order Value = Total Revenue ÷ Number of Sales

Best-Selling Item = the item with the highest Qty Sold

Your Booth Totals

TOTAL BOOTH PROFIT

sum of every item's total profit

AVERAGE ORDER VALUE

total revenue ÷ number of sales

BEST-SELLING ITEM

highest qty sold