



A Micro-Business Story

Allowing a Self-Employment Tax Deduction on Health Insurance Premiums

Kathleen and Doug Korrison, Arcadia Garage Door Co.
Arcadia, Wisconsin

Nearly seventeen years ago, Kathleen and Doug Korrison decided to open Arcadia Garage Door Co. The couple make a great team; while Doug installs, sells, and services garage doors, Kathleen manages the operating functions of the business.

However, their finances remain tight. As a result of the self-employment tax, Kathleen and Doug are forced to shoulder an additional \$1,085.00 tax burden each year. The expense also makes putting money into their retirement account and contributing to a college fund for their children nearly impossible.

In frustration, Kathleen says, “Small businesses like ours have a hard enough time competing and this just makes it tougher. We could put more money back into needed business equipment.”

While the work is steady, the couple’s resources are still stretched thin. In addition to her day-to-day tasks within the company, Kathleen also juggles three part-time jobs. She cleans houses, serves as the township treasurer, and provides financial and billing services to local businesses.

“I’d love it if we could use that money to start hiring additional help,” she confides. “We are both getting older. The physical aspect of the job is demanding and grows more difficult for my husband each year; he just can’t do the same amount of work as a 20-something anymore. In an ideal situation my husband would manage a crew of workers, which would allow him to concentrate on the office duties.”