

Other Key Points to consider when developing your comprehensive tax strategy:

- Certain tests exist and must be met to claim a “white collar exemption” when determining if the overtime rules apply to a taxpayer. Nonprofits are subject to the same rules as for-profit businesses.
- Bonus depreciation is beneficial to large companies with significant current year additions that would otherwise be phased out under Section 179. Bonus remains at 50% for 2016.
- In 2016 the Section 179 expensing limitation remains the same at \$500,000 and the 179 phase out limitation remains at \$2,000,000 of asset purchases.



A Message from Michael and Kerri

Tax News, Updates and Headlines

With year-end approaching, there are many items taxpayers should consider in order to optimize their tax savings. The IRS has also issued updates on 2017 filing due dates as well as changes to the overtime pay rules issued by the Fair Labor Standards Act (FLSA).

Taxpayers filing a partnership return (Form 1065) will now have a filing due date of March 15 (previously April 15 in 2015). C corporations (Form 1120) are now due April 15 (previously March 15 in 2015). S corporation and individual tax due dates have not changed. Taxpayers with foreign bank accounts may need to file FinCEN Form 114 by April 15 with their individual tax return (previously due June 30).

Taxpayers filing 1099-MISC, W2s and W3s now have to file these forms with the IRS and Social Security Administration by January 31 (with an extension until March 15 if e-filed). This is the same filing deadline by which the forms should be mailed to recipients (previously due February 28). Effective December 1, 2016, employers will be obligated to pay overtime to a broader range of employees, as the FLSA has changed the rules on overtime pay.

Qualified Improvement Property may qualify for the 50% bonus even though they have 39-year recovery periods. This property differs from Qualified Leasehold Property. For example, there is no requirement that says a building must have been placed in service at least three years prior to the expenditure. Additionally, the expenditures do not have to be pursuant to a lease between non-related parties.

Legislation related to the R&D credit has changed significantly in the last year as well. Not only is the credit now permanent, but it also allows small businesses to take the R&D credit against their AMT and, in some cases, against payroll taxes.

Please don't hesitate to call us if we can assist with identifying and maximizing potential tax savings.

Michael Resnick and Kerri Rawcliffe
Tax Practice Group
Batchelor, Frechette, McCrory, Michael & Co.

TIPS

- Only 1099-MISC with a box 7 amount are due January 31. All other 1099-MISC due dates have remained the same as prior years.
- The AMT turnoff relating to the R&D credit applies to businesses with less than \$50 million in gross receipts.
- Qualified Improvement Property is not eligible for Section 179 unless it also meets the definition of Qualified Leasehold Improvement, Qualified Retail Improvement, or Qualified Restaurant Property.



Brooke Rossi and Kerri Rawcliffe with Bob Mancini, President of RISCPC at the RISCPC Fall Networking Event