

TAX TIPS FOR SMALL BUSINESSES

Other Tax Matters to Note

- **Business meals:** There is a 100% deduction (rather than the prior 50%) for expenses paid for food or beverages provided by a restaurant. This provision is effective for expenses incurred after Dec. 31, 2020 and expires at the end of 2022.
- **Purchases of property and equipment:** With tax-favorable options available to businesses, many purchases can be completely written off in the year they are placed in service. Plus, there are tax-favorable rules that permit qualified improvement property to qualify for 15-year depreciation and, therefore, also be eligible for 100% first-year bonus depreciation. Let us help you receive the best tax treatment.
- **Net operating losses:** If you have significant losses from 2018 to 2020, you may be able to carry those losses back up to five years, which can significantly impact a prior year where there was a tax liability.
- **Methods of accounting:** More businesses can use the cash method of accounting. This can be helpful for cashflow purposes and is generally easier to apply than the accrual method of accounting. There are qualifications that must be met, but we can help you understand if your business would benefit.
- **Preparing for disasters:** Do you have a disaster recovery plan in place for your business and, if so, have you updated it recently? We can help you review your plan, especially as it relates to financial information.
- **Sales and use tax considerations:** States are continuing to make changes to their sales and use tax laws and filing requirements following the U.S. Supreme Court ruling in the case South Dakota v. Wayfair, Inc. Please ask us how this case impacts your business.
- **Retirement plans:** Have you revisited your company's retirement plan lately? Take a look at the many retirement savings options to make sure that you're taking advantage of tax deductions as well as providing opportunities for owners and employees to save for retirement.