

New Rules May Affect Your Businesses

New laws and regulations could have an impact on how you manage your business or your tax planning. Below is a summary of important developments you should be aware of:

- In a change from past rules, businesses must file all Forms W-2 and W-3 and some Forms 1099-MISC with the IRS and the Social Security Administration no later than Jan. 31 in the year following the one to which the forms relate. As a result, forms for 2016 activities must be filed by Jan. 31, 2017. Employees and vendors or independent consultants must still receive their forms by Jan. 31.
- There are new due dates for returns for partnerships, C corporations and several other business returns. For calendar-year partnerships, the new filing date is March 15 and for C corporations, it's April 15. The date for fiscal year C corporations is the 15th of the fourth month following the end of the corporation's calendar year. This is good news. In fact, the CPA profession has long advocated for these changes because they'll minimize tax season complications and delays and make it easier to ensure that tax returns are accurate and on time. Among other benefits, those in partnerships should now receive their Schedule K-1s in time to file their individual returns by April 15.
- Small businesses may benefit from legislation that reset the rules on what kinds of property qualifies for bonus depreciation, because it scopes in "qualified improvement property," a new class of nonresidential real property. At the same time, bonus depreciation has been extended through 2019 (and through 2020 older transportation property). The new rules allow 50% bonus depreciation through 2017, 40% in 2018 and 30% in 2019.
- If your business is a partnership, there's now a much greater chance you could face an IRS audit, due to new audit and adjustment rules. Although the change will generally apply to returns for tax year 2018 and later, clients should start planning now to prevent any unexpected consequences down the road. In particular, we recommend reviewing your partnership operating agreement with the new rules in mind. Please don't hesitate contact us for assistance with identifying what changes might be relevant to your agreement.

- Also, be aware that even if your business is not a partnership, you will want to evaluate the effect that these new rules and related agreement changes could have if you have invested in any partnership.