

# Scott Olson CPA, LLC

6003 7th Avenue Kenosha, WI 53143

Phone: 262-925-7017

Fax: 1-866-491-3607

January 2018

Dear Valued Client,

I hope you had a wonderful holiday season. Soon a new season approaches, tax season of course! In an effort to be as efficient and as organized as possible for your year end, please review this letter and the attachments.

As you may have heard already, a new tax law called the Tax Cuts and Jobs Act was signed in late December. These are changes that effective for years beginning in 2018. Some of these changes and some of the 2017 changes I have included below or in the attached checklist. Please assemble all of the information that pertains to your business, as this is the information that I will need to complete your year-end financial statements and tax returns.

The first enclosed item is a copy of your depreciation schedule. Please review the schedule for any changes. Please provide copies of receipts for any purchases and/or dispositions. Also, please review your schedule for any assets that you have scrapped or are not in use, as they affect your personal property tax return as well as your income tax return. We will use this information to prepare and remit your 2018 personal property tax return. The section 179 depreciation deduction is up to \$510,000 for 2017 and goes up to \$1,000,000 for 2018. In addition, for property purchase after 9/27/2017 there is a special 100% bonus depreciation eligible.

*Noteworthy tax legislation for 2017 and 2018:*

- 1) **REMINDER NEW DUE DATES:** S Corporation and partnerships are **due on March 15<sup>th</sup>**, Calendar year end C Corporations are **due April 15<sup>th</sup>**.
- 2) **DUE DATES for W-2s and 1099s MUST** be filed with the IRS by January 31 2018. In prior years we had until March to submit these forms to the IRS. **If our office will prepare your year end payroll and/or 1099's, we must receive your information by Monday, January 22<sup>th</sup>** in order for it to be processed in time. If we receive your information after this deadline we will not guarantee that your information will be processed timely and additional charges may incur.
- 3) Some of the new items for 2018
  - Corporate rate cut down to 21%
  - New pass-thru entity tax rate reduction of 20% for entities who qualify
  - NO deduction in 2018 and years forward for entertainment expenses
  - Meals provided for the benefit or convenience of your employees are only deductible to 50%
  - Increased depreciation for luxury autos
  - Any qualified improvements are now deductible over 15 years

We will keep you informed as to the full details of the new law as they come into light and we will discuss with you the opportunities the new law brings.

The second enclosure is a checklist for your review. Please complete the checklist and attach any information that pertains to your business.

If you have any questions, please feel free to contact me. Thank you for your continued business and I look forward to meeting with you soon.

Sincerely,

*Scott Olson*

Scott Olson  
Scott Olson, CPA, LLC

Enclosures