**Carol A. Reithmiller, CPA, PLLC**

January 12, 2023

Dear Business Client,

Now that 2023 is here, it is important to address certain tax requirements. Please review the following topics which may impact the required reporting for your business for the 2022 / 2023 tax years.

**New this Year**

We can send you a video of Carol reviewing your tax return with your electronic copy of the return. This way you can review at your leisure. Of course, we still offer Zoom, telephone or in person meetings.

**2022 Just a Reminder**

All tax information can be sent electronically, via mail or by drop-off. Please call to verify our hours (704-583-9090) and to receive a link to safely send us your documents.

ERC – If you received ERC, we might have to extend your 2022 tax returns until final regulations have been received.

Business related meals from a restaurant, whether on site or take out are deductible at 100%. Entertainment is still non-deductible. Please segregate meals at restaurants from meals at non-restaurants in your accounting.

To further muddy the issue, snacks and beverages provided by a business to its employees or clients are deductible at 50%. Please create the appropriate expense account.

**Change in Deductions-2023**

All meals are deductible at 50% in 2023.

**W-2 and Form 1099 Reporting**

Employers must have all W-2s and Form 1099-MISC **filed** by **January 31, 2023**. Certain items are required to be reported as wages. Such items include non-accountable employee business reimbursements, noncash payments of fringe benefits, and taxable cost of life insurance more than $50,000 and employee moving expenses. If you have paid for any of your employee’s expenses in a non-accountable plan (a plan in which no documents are received from the employee), please let us know. Employer-paid medical insurance should be added to each employee’s W-2 in Box 12 under Code DD. There is no tax affect from reporting this insurance. Penalties can be assessed by the IRS if not filed timely.

We need to know the **number of W-2s** issued to e-file, so please include that number in the information that you provide. Also indicate if you have filed Form 1099’s.

**Business Tax Returns**

**Partnership** tax returns are due on **March 15, 2023**. We require this information by Monday, **February 20, 2023,** to ensure that your tax returns will be filed timely and accurately. Extensions for both federal and state(s) will extend the time to file until September 15, 2023. Federal extensions are available for $106, and each state or city (if applicable) extension will be $106 additional.

**Business Personal Property**

All business entities are required to report their business personal property listing each year to the respective authority regardless of whether the client owns fixed assets. This listing consists of certain fixed assets within the business and any lease obligations for assets used within the business and office supplies. Our cost for preparing and submitting your business personal property listing is $165 to $225 or more per return, depending on the complexity and activity of fixed assets.

The following paragraphs detail the extension and return due dates for North and South Carolina.

**North Carolina** – The due dates vary per county but are between January 31st and April 15th. The due date for Mecklenburg County is January 31st. Extensions are available for North Carolina.Preparing and submitting an extension is due on or before January 31st. Our fee is $106. If you would like us to prepare your business personal property listing the information is due to us by Friday, January 20, 2023. Extensions are due to us by Thursday, January 26, 2023.

**South Carolina** - The due dates are March 15th or April 15th depending on the filing date of the federal return. Extensions are not available for South Carolina. If you would like us to prepare your business personal property listing or related extension the information is due to us by Friday, February 17, 2023or Wednesday, March 15, 2023, respectively.

**Property Purchased by Businesses**

Just a reminder that all business taxpayers must have, at a minimum, a written capitalization policy that they follow for book purposes. If this is something your business does not currently have, we can help you establish a policy. This policy must be in place now.

Enclosed is an extension form, please complete and send to us if you require an extension. Extensions will not be prepared without this signed form. Verbal extensions will not be accepted.

Please call me at your convenience so we can address any questions you may have.

Sincerely,

*Carol A. Reithmiller*

**11020 south Tryon Street, suite 406 • Charlotte, nc • 28273**

**Phone: 704-583-9090 • Fax: 704-583-9843**