

# CAROL A. REITHMILLER, CPA, PLLC

January 11, 2024

Dear Business Client,

Now that 2024 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 2023/2024 tax years.

## **Continued 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.

## **2023 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.

All meals are deductible at 50% in 2023.

Snacks and beverages provided by a business to its employees or clients are deductible at 50%. Please create the appropriate expense account.

## **W-2 and Form 1099 Reporting**

Employers must have all W-2s and Form 1099-MISC **filed by January 31, 2024**. Include the following as wages: non-accountable employee business reimbursements, noncash payments of fringe benefits and taxable cost of life insurance in excess of \$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 effect from reporting this insurance. The IRS can assess penalties if not filed in a timely manner.

We need to know **the number of W-2s** issued to e-file your corporate tax return, so please include that number in the information that you provide. Please provide copies of the **officers' W-2s**. Also indicate if you have filed Form 1099's.

## **Reasonable Compensation**

**We cannot prepare income tax returns** for firms that do not pay their shareholders reasonable compensation. The three factors that must be used to determine the salary of all shareholder employees are: the services provided by the shareholder, the services of non-shareholder employees and the capital and equipment of the corporation.

## **Business Tax Returns**

**C - Corporation** tax returns are due on Monday, **April 15, 2024**. We require this information by Monday, **March 18, 2024**, to ensure that your tax returns will be filed timely and accurately. Extensions will extend the time to file until October 15, 2024, but not the time to pay the applicable taxes. Taxes are still due on April 15, 2024. Federal extensions are available for \$111, and each state or city (if applicable) extension will be \$111 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 \$173 to \$235 or more, depending on the complexity and activity of fixed assets.

**North Carolina** – The due dates vary by county but are between January 31<sup>st</sup> and April 15<sup>th</sup>. The due date for Mecklenburg County is January 31<sup>st</sup>. Extensions are available for North Carolina. Preparing and submitting an extension must be completed on or before January 31<sup>st</sup>. Our fee is \$111. If you would like us to prepare your business personal property listing or related extension the information is due to us by Friday, January 19, 2024. Extensions are due to us by Monday, January 22, 2024.

**South Carolina** - The due dates are March 15<sup>th</sup> or April 15<sup>th</sup> 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 16, 2024, or Friday, March 15, 2024, 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.

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

Sincerely,

*Carol A. Reithmiller*