

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**. 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. **If issuing more than ten 1099's, please note that they will need to be filed electronically.**

We need to know the **number of W-2s** issued to e-file, so please include that number in the information that you provide. Please provide copies of all officer W2's. 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. Please contact us **before January 25, 2024**, if you are concerned that you have not met this requirement.

Business Tax Returns

S - Corporation tax returns are due on **March 15, 2024**. We require this information by Monday, **February 19, 2024**, 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 16, 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.

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 \$111. If you would like us to prepare your business personal property listing 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 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 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.

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