

Deadlines & Misc.

Third Quarter Estimated Tax Payments are due by Monday, September 16, 2019. See over if you pay federal taxes by estimate.

DEADLINES

September 16, 2019 is the deadline for timely filing extended **Corporate and Partnership** returns. **Fiduciary** (trust/estate) returns are due September 30.

2018 Retirement Plan

Contributions for corporations and partnership staff are also due on or before September 16. Contributions for individual partners and sole proprietors are due by October 15, 2019.

Individual Income Tax Returns (extended) are due no later than October 15, 2019.

Personal Property Tax 2nd ½ payments for 2019 (the 2018 tax) are due on or before October 31, 2019.

Unclaimed Property Reports and remittances are due on or before October 31, 2019 for the reporting period July 1, 2015 through June 30, 2016.

<http://ucp.dor.wa.gov/holderContent.asp>

CONTACT US

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Helping Dentists Make Smart Decisions about Money

TAX-CUTS & JOBS ACT – 20% QUALIFIED BUSINESS INCOME DEDUCTION:

Do you or can you qualify for this new deduction?

Introduced last year and in its second year in 2019, the 20% Qualified Business Income Deduction (QBID) can apply to any business operated through an S Corporation, Partnership or Sole Proprietorship. It may also apply to certain rental properties that are deemed “businesses” (i.e. actively managed and not subject to personal use (e.g. vacation rentals do not qualify)). Generally, rental properties directly associated with your practice are considered part of the practice activity for QBID purposes.

In its simplest application, the deduction is 20% of the lesser of your Qualified Business Income or taxable income on the applicable tax return. For example, Dr. Dentin’s S Corporation has a bottom line of \$300,000 and her joint return filed with her husband shows a taxable income of \$250,000. The deduction would be 20% of \$250,000 for an additional deduction of \$50,000.

The computation is more involved when taxable income exceeds \$321,400 (joint) or \$160,725 (single). In addition to the rules above, wages paid by the business are taken into account and may reduce (but won’t increase) the deduction. There is an alternative computation that considers both wages and the original cost of certain depreciable property of the business that is more likely applicable to real estate activities.

Certain taxpayers, including most professionals, are in a “special class” who are limited, based on taxable income as to participating in the 20% QBI Deduction. Dentists of course are part of this group. In short, if your taxable income exceeds \$421,400 (\$210,725 on a single return) you do not qualify for the 20% deduction. If your taxable income is below \$321,400 (joint) or \$160,725 (single) you are fully eligible for the 20% deduction. If you are between these figures, the more complicated computation will apply and there will be a phase-out based on taxable income.

Planning: If you are just above or in the phase-out range, finding additional deductions will pay in multiples – saving you “regular tax” and freeing up more of the 20% QBI Deduction. If you are a bit above the top threshold, assertive tax planning may also pay-off – such as adopting a more generous retirement plan or even a Cash Balance plan which could increase deductions by a \$100,000 or more (as long as you have the cash flow to fund the plan). **DE**

THIRD QUARTER 2019 ESTIMATED PAYMENTS

THIS IS ONLY FOR THOSE THAT PAY BY QUARTERLY INSTALLMENTS

INSTRUCTIONS:

If you do not have pre-printed vouchers and envelopes: (If we have prepared your 2018 return, you will find pre-printed estimated tax payment vouchers in your online secure portal or in your folder if we mailed your tax return to you)

1. Detach or photocopy the voucher below.
2. Complete the name, address and social security number sections.
3. Fill in amount (call us at 425.216.1612 if you have questions regarding the amount).
4. Address your envelope to:

**Internal Revenue Service
PO Box 510000
San Francisco, CA 94151-5100**

5. Follow the instructions below for pre-printed vouchers.

If you are using pre-printed vouchers:

1. Make your check payable to the **United States Treasury**.
 2. Note your social security number and "2019 1040-ES" on the memo line of your check.
 3. Enclose the voucher and check in your envelope addressed to the Internal Revenue Service (see above).
 4. Mail on or before Monday, September 16, 2019.
- **Want to make future estimated payments on line? Sign up at EFTPS.gov – This very convenient site allows you to enter multiple payments and dates in advance. Call us if you need help!**

Tear off here

INTERNAL REVENUE SERVICE, P.O. BOX 510000, SAN FRANCISCO, CA 94151-5100

Form	1040-ES Department of the Treasury Internal Revenue Service	2019 Estimated Tax	Payment Voucher 3	OMB No. 1545-0074
File only if you are making a payment of estimated tax by check or money order. Mail this voucher with your check or money order payable to "United States Treasury." Write your social security number and "2019 Form 1040-ES" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.			Calendar year—Due Sept. 16, 2019	
			Amount of estimated tax you are paying by check or money order.	
			Dollars	
Print or type	Your first name and initial		Your last name	
	Your social security number			
	If joint payment, complete for spouse			
	Spouse's first name and initial		Spouse's last name	
	Spouse's social security number			
	Address (number, street, and apt. no.)			
City, state, and ZIP code. (If a foreign address, enter city, also complete spaces below.)				
		WA		
Foreign country name		Foreign province/county		Foreign postal code

Pay online at www.irs.gov/efpay

**Simple.
Fast.
Secure.**

For Privacy Act and Paperwork Reduction Act Notice, see instructions.
DAA