

**Deadlines & Misc.**

Third Quarter Estimated Tax Payments are due by Thursday, September 15, 2016. See over.

Upcoming Due Dates

Extended Corporate and Partnership returns and any related retirement plan funding must be completed by September 15th.

Individual Returns on extension and related retirement plan funding are due by October 17th.

UPCOMING EVENTS

September 28, 2016 –

WSDA Academy – Understanding the Money Flow in Your Office

Created by new dentists for new dentists – the WSDA Academy offers complimentary CE classes for WSDA Members who are 0-10 years out of dental or specialty school.

Maggie Boyle and Sam Martin will be presenting “Understanding production, collections, overhead and profitability along with managing your money and maintaining a healthy bottom line.” More information at www.wsd.org

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Helping Dentists Make Smart Decisions about Money

YEAR-END TAX PLANNING STARTS NOW!

There are two types of year-end planning: Strategic and last minute. The latter category generally involves paying all year-end bills and perhaps pre-paying certain next year bills in order to push the income out another year. Although something of a silly game, it does reduce the current payment of tax and reduces the required estimated tax payment or withholding for the coming year. Practiced over a lifetime, there is a significant time value savings.

Strategic year-end tax planning requires actual planning and forethought. This often takes the form of investing in your practice. With lead-times for ordering equipment and technology, September is a great time to begin planning any investments in the practice for the remainder of 2016.

Equipment and Other Asset Write-offs - 2016

Section 179 - Expensing Election: This election has been restored and made permanent at the \$500,000 level and will be indexed for inflation. Further, the phase-out level has also been restored to \$2,000,000 of qualified purchases in a given year (fully phased out at \$2,500,000). This applies to 2015 forward.

Bonus Depreciation Restored: An alternative to Section 179, especially when you don't necessarily want to write everything off in one-year, bonus depreciation has been extended from 2015 through 2017 at the 50% level; 40% in 2018 and 30% in 2019. One nice feature of Bonus Depreciation is that it eliminates Alternative Minimum Tax depreciation inclusion on not just the portion you expense but on the entire cost of the equipment or assets that you purchase.

Qualified Leasehold Improvements: This allows qualified leasehold improvements to be depreciated over a 15 year period instead of the default 39 year method. This has also been restored retroactively for 2015 and made permanent. To qualify, generally, the tenant and the building owner must not be 80% or more related and the building must have been placed in service at least three years prior to the date of the improvements.

State and Local Sales Tax Deduction: This deduction; which had expired, has been reinstated and made permanent. This applies to personal purchases throughout the year – but especially applicable to major purchases such as automobiles, RV's, home improvement and other major expenses. The tax code gives you three options for taking your sales tax deduction: Take your actual sales tax expense for the year (maintain receipts); take the IRS “Table” amount based on your income and number of people in your household or combine the “Table” amount with the tax on major personal purchases. **DG**