

Deadlines & Misc.

1st Quarter Estimated Tax payments (for those who make quarterly estimates) are **due Tuesday, April 18** (See Over).

April 18th is the deadline for filing or extending individual income tax returns. In order to avoid penalties and/or interest, 2016 tax due must be paid with the filed return and/or extension by April 18th.

Personal Property Tax: First half taxes are due on or before May 1, 2017.

Planning to Retire (Someday)?

Join us at the Bellevue Club on Friday, May 12, from 8:00 -2:00 for **Mid-Career to Life after Dentistry**. This workshop is appropriate for those contemplating retirement in the next 15 years to 15 minutes. Topics include:

- How to set up the game board for a successful transition
- Incorporating proactive tax planning before, during and after transition
- Determining retirement income needs and accumulation
- Comprehensive financial planning before, during and after transition

Reserve Now: Contact Jennifer Paine at 425.216.1613 or Jennifer@cpa4dds.com

CONTACT US

5808 Lake Washington Blvd NE, Suite 101
Kirkland, WA 98033
425.216.1612
425.216.1613 fax
mail@cpa4dds.com



Helping Dentists Make Smart Decisions about Money

2017 TAX CHANGES COMING?

It is highly likely that we will have a change in tax policy in 2017 and such change could take effect retroactively or be phased-in over some time period based on prior tax policy overhauls. Nothing is a given here – legislation is always a complex process and tax legislation is no exception. At this point, pundits believe that it will be at least August before a bill could be passed or perhaps not until 2018.

What do we expect? The House Republicans Tax Reform Task Force document has much in common with the President's proposals made on the campaign trail. Here are a few bullet points:

- Reduce current 7 tax brackets to just three and reduce the rates to 33%, 25% and 12% respectively
- Elimination of the "Marriage Tax Penalty" which impacts two-earner married couples
- Eliminate personal exemptions but expand the child tax credit
- Eliminate most itemized deductions, but maintain the deductions for mortgage interest and charitable donations
- Eliminate the Federal Estate Tax and/or replace with a Capital Gains tax.

We will continue to monitor the various proposals and keep you posted accordingly. **DE**

Investing In Your Practice: What Can Dentists Write-Off This Year?

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).

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 lifetime. This has also been 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. **DE**