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# TAD

The Accounting Department



# News

*OUTSOURCE YOUR BILLING AND ACCOUNTING TO THE HOME HEALTH CONSULTANTS AT TAD!*

## HIGHLIGHTS OF THE TAX CUTS & JOBS ACT

The tax reform bill that was signed into law this past week contains numerous changes that will affect large and small businesses. Some highlights are listed below:

- “C” corporation tax rates will drop to a flat rate tax of 21%.
- The act repeals the corporate Alternative Minimum Tax.
- Businesses may deduct 100% of the cost of eligible property in the year it is placed in service. Bonus depreciation is now allowed on new and used property.
- Luxury automobile depreciation limits has been greatly increased to \$10,000 in year 1, \$16,000 in Year 2, \$9,600 in Year 3, \$5,760 in Year 4 and beyond.
- Net operating losses (NOL) are no longer allowed to be carried-back, only forward and limited to 80% of taxable income.
- Entertainment expenses are no longer deductible which includes any activity considered to be entertainment, amusement or recreation. This would include tickets to sporting events, entertainment and show venues. Only 50% of food and beverage expenses would remain deductible.
- Qualified business income (QBI) from pass-through entities such as “S” corporations, LLC’s, and sole proprietorships will be taxed at individual tax rates less a deduction of up to 20%. However, the formula for the 20% deductions is complicated. The amount of this deduction consists of a percentage of W-2 income and/or a percentage unadjusted qualified business property.

There will be multitudes of “what ifs?” to be considered. There will be no one correct answer, rather facts and circumstances will dictate the correct strategy to employ. It has never been more important to have accurate and current financials during 2018. The year 2018 will be a tumultuous tax year. Don’t add to the stress by not having current financials.

**Medicare and TAD offices will be closed on January 1st:**

## CREDIT AND DEBIT CARDS FOR BUSINESS USE

Credit and debit cards are a convenient way to purchase goods and services for your business. It is important to note that the IRS requires that these transactions be adequately documented. Merely saving credit card statements and bank statements that reflect the debit purchase does not meet this requirement.

Each credit or debit transaction should be supported by a receipt or detailed listing of the transaction. For meals and entertainment it is also necessary to add notes as to the business purpose and business relationship of those present. Following this criteria will help ensure that your expenses will not be disallowed upon audit.

### IMPORTANT REMINDER - CREDIT BALANCE REPORTS

Please don't forget that your 12/31/2017 Credit Balance Report is due by 01/31/2018!!!



Visit us at [www.tad-usa.com](http://www.tad-usa.com) for helpful links to information you need to know for your agency!!!

### TAD FREE WEBINARS

TAD Webinars include a variety of topics that will help agency owners and administrators keep current on the latest topics that impact Home Health Agencies. The following Webinars held on Thursday's from 2-3pm EST are open for registration:

**Cost Reports and PS&R:** January 11th

**Understanding the Medicare Remittance Advice:** February 1st

For more information about these webinars, or to register, visit us at [www.tad-usa.com](http://www.tad-usa.com) and select "Free Webinars." Space will be limited, so please be sure to register early. Registration for webinars is only available on line. Please note that Webinars are scheduled based on the **Eastern** time zone. New webinars and dates will be posted regularly, so visit us often at [www.tad-usa.com](http://www.tad-usa.com). We hope you will join us!!!!

### **INSPIRATIONAL THOUGHT:**

**We wish you all a very happy, health and prosperous 2018!**

**- The TAD team**

