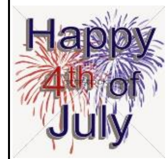
TAX PAYMENT CALENDAR

JULY 2018

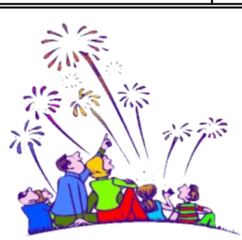
Date: Payroll Date		Deposit Date	
June	27 - 29	July	5
	30		9
July	1 - 3		9
	4 - 6		11
	7 - 10		13
	11 - 13		18
	14 - 17		20
	18 - 20		25
	21 - 24		27
	25 - 27	August	1
	28 - 31		3

Semi-Weekly Payroll Tax Deposits. Employers that are semi-weekly depositors generally must deposit taxes withheld and FICA taxes on payrolls paid on Wednesday, Thursday, or Friday on or before the following Wednesday, and deposit taxes from payments on other days on or before the following Friday. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and third quarter (second quarter for June deposits due July 5 and 9).

Completed



Date		Completed
June 30 – July 1	South Haven Fine Art Fair - South Haven Center for the Arts.	
4	Independence Day.	
12	Michigan sales and use tax deposit for month and quarter ended June 30 to claim early payment discount.	
16	Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during June. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and second quarter.	
16	Corporations with fiscal year ending July 31, October 31, January 31, or March 31: • Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit.	
16	Corporations with fiscal year ending March 31: • Federal Income Tax Return – Form 1120. • Deposit balance of tax due electronically. Indicate Form 1120 and Balance Due on Return. • Pay accrued compensation, charitable contributions, retirement plan contributions, etc.	
16	Corporations with fiscal year ending September 30, December 31, March 31, or June 30: • Pay CIT estimate to State of Michigan.	
20	Michigan Sales, Use and Withholding Taxes Return for the quarter and month ended June 30.	
25	State Employer's Quarterly Wage/Tax Report (Form UIA-1028). Pay to State of Michigan-Unemployment Agency	
27 - Aug 5	Grand Haven Coast Guard Festival.	
31	Quarterly payroll reports and deposits: • Form 941 – Employer's Quarterly Federal Tax Return – deposit balance due electronically. Indicate Form 941, Balance Due on Return, and second quarter. • Federal Unemployment Compensation tax deposit for second quarter if cumulative undeposited tax liability exceeds $ 500 – deposit electronically. Indicate Form 940 and second quarter.	
31	Corporations with fiscal year ending March 31: • File CIT return and pay balance due to State of Michigan.	



JUNE

SU	M	T	W	TH	F	SA
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

JULY

SU	**M**	**T**	**W**	**TH**	**F**	**SA**
1	**2**	**3**	**4**	**5**	**6**	**7**
8	**9**	**10**	**11**	**12**	**13**	**14**
15	**16**	**17**	**18**	**19**	**20**	**21**
22	**23**	**24**	**25**	**26**	**27**	**28**
29	**30**	**31**				

AUGUST

SU	M	T	W	TH	F	SA
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JULY 2018

NEW RESTRICTIONS ON INDIVIDUAL TAXPAYERS DEDUCTING BUSINESS LOSSES

Before the Tax Cuts and Jobs Act (TCJA), an individual taxpayer's business losses—including rental losses—could often be fully deducted in the tax year when they arose. That was the result unless: (1) some tax-law provision prevented that favorable outcome or (2) the business loss exceeded your taxable income from other sources, in which case it created a Net Operating Loss (NOL). Under prior law, you could carry back an NOL to the two preceding tax years or carry it forward to the following 20 tax years.

For 2018–2025, the TCJA changes the rules for deducting an individual taxpayer's business losses, and the changes are not in your favor. Here's a quick summary of the unfavorable changes.

New Excess Business Loss Disallowance Rule

If your business or rental activity throws off a tax loss—and many do at least during the early years—things get complicated. First, the Passive Activity Loss (PAL) rules may apply if you are not very involved in the activity or if it is a rental activity. In general, the PAL rules only allow you to deduct passive losses to the extent you have passive income from other sources—like positive income from other business or rental activities or gains from selling them. Passive losses in excess of passive income are suspended and carried forward to future years until you either have sufficient passive income or you sell the activity that produced the losses.

So far, so bad—but it gets worse under the new law. After you have successfully cleared the hurdles imposed by the PAL rules, the TCJA establishes another hurdle. For tax years beginning in 2018–2025, you cannot deduct an *excess business loss* in the current year. An excess business loss is the excess of your aggregate business losses over $ 250,000 or $ 500,000 if you are a married joint-filer. The excess business loss is carried over to the following tax year and can be deducted under the rules for NOL carryforwards.

New Restrictions on Deducting NOLs

For NOLs arising in tax years *beginning* after 12/31/17, the TCJA stipulates that you generally cannot use an NOL carryover to shelter more than 80% of your taxable income in the carryover year. Under prior law, an NOL carryover could generally shelter up to 100% of taxable income in the carryover year.

Another TCJA change stipulates that NOLs that arise in tax years *ending* after 12/31/17 generally cannot be carried back to an earlier tax year. They can only be carried forward. However, they can be carried forward indefinitely. Under prior law, NOLs could be carried forward for no more than 20 years.

Conclusion

Please contact us if you have questions or want more information about the new restrictions on deducting business losses or about any other changes included in the TCJA.