


TAX PAYMENT  
CALENDAR

MAY  
2019

<u>Date</u>			<u>Completed</u>	
<u>Payroll Date</u>	<u>Deposit Date</u>	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 second quarter.		
April 24-26	May 1			
27-30	3			
May 1-3	8			
4-7	10			
8-10	15			
11-14	17			
15-17	22			
18-21	24			
22-24	30			
25-28	31			
29-31	June 5			
1	May Day.			
4-5	Tulip Time Artisan Market – Centennial Park, Holland.			
4-12	Tulip Time Festival – Holland.			
12	Mother's Day.			
13	Michigan sales and use tax deposit for month of April to claim early payment discount..			
15	Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during April. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and second quarter.			
15	Corporations with fiscal year ending May 31, August 31, November 30, or January 31: <ul style="list-style-type: none"> <li>• Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit.</li> </ul>			
15	Corporations with fiscal year ending January 31: <ul style="list-style-type: none"> <li>• Federal Income Tax Return - Form 1120.</li> <li>• Deposit balance of tax due electronically. Indicate Form 1120 and Balance Due on Return.</li> <li>• Pay accrued compensation, charitable contributions, retirement plan contributions, etc.</li> </ul>			
15	Corporations with fiscal year ending January 31, April 30, July 31, or October 31: <ul style="list-style-type: none"> <li>• Pay CIT estimate to State of Michigan.</li> </ul>			
18	Armed Forces Day.			
20	Michigan Sales, Use and Withholding Taxes Return for the month of April.			
26	Indianapolis 500-Mile Race – Indianapolis, IN.			
27	Memorial Day (Observed).			
31	Corporations with fiscal year ending January 31: <ul style="list-style-type: none"> <li>• File CIT return and pay balance due to State of Michigan.</li> </ul>			

APRIL

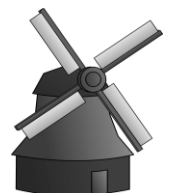
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MAY

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JUNE

SU	M	T	W	TH	F	SA
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23	24	25	26	27	28	29
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## **THE QUALIFIED BUSINESS INCOME SAFE HARBOR FOR RENTAL REAL ESTATE**

Recent tax legislation added a new tax deduction for certain business owners. It permits individuals, estates, and trusts to deduct up to 20% of their “qualified business income.” You may have heard a lot of talk in the news about a new deduction for “pass-through” income, but it’s actually available for qualified business income from a sole proprietorship, as well as from pass-through entities such as partnerships, LLCs, and S corporations.

One question that has been on everyone’s mind is whether this new deduction applies to rental real estate income and losses. Fortunately, the IRS has released a safe harbor under which a rental real estate enterprise will be treated as a trade or business for purposes of the deduction. To qualify for the safe harbor, you must—

- maintain separate books and records to reflect the income and expenses of each rental real estate enterprise;
- perform 250 or more hours of rental services per year; and
- maintain contemporaneous records (like time reports, logs, or similar documents) that show the hours of all services performed, a description of all services performed, the dates on which the services were performed, and who performed the services. Thankfully, this requirement doesn’t apply for 2018. However, if you want to take advantage of the safe harbor in 2019, you need to start maintaining contemporaneous records. There is no single required format for recording this information. In some instances, an electronic calendar may be sufficient as long as all relevant information is noted.

The types of rental services that qualify for the safe harbor include (1) advertising to rent the property; (2) negotiating leases; (3) verifying prospective tenant information; (4) collecting rent; (5) managing the property; (6) purchasing materials; and (7) supervising employees and independent contractors. However, you can’t count financial or investment management activities (like arranging financing), procuring property, studying and reviewing financial statements, managing long-term capital improvements, and time spent traveling to and from the property.

Also, the safe harbor doesn’t apply to real estate that you use as a personal residence. A dwelling is treated as a residence if it’s used for personal purposes for more than 14 days, or more than 10% of the number of rental days if greater. In addition, real estate rented under a triple net lease (an arrangement that requires the tenant to pay real estate taxes, fees, building insurance, and maintenance costs) isn’t eligible for the safe harbor.

Even if the safe harbor requirements described here aren’t met, your activities may still be eligible for the qualified business income deduction. It would just take more documentation to make sure your enterprise qualifies as a trade or business under relevant case law.

If you plan to rely on this safe harbor to classify your rental real estate enterprise as a qualified trade or business for 2019, you will need to document the hours spent as you go along throughout the year.