


TAX PAYMENT  
CALENDAR

OCTOBER  
2019

<u>Date</u>	<u>Deposit Date</u>		<u>Completed</u>
<u>Payroll Date</u> Sept 25 - 27 28 - 30 Oct 1 2 - 4 5 - 8 9 - 11 12 - 15 16 - 18 19 - 22 23 - 25 26 - 29 30 - Nov 1	Oct 2 4 4 9 11 17 18 23 25 30 Nov 1 6	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 fourth quarter (third quarter for September payroll deposits due in October).	
1		Michigan Annual Report for Non-Profit Corporations.	
4 - 5		Pumpkin Fest, Zeeland, MI.	
14		Columbus Day Observance.	
15		Michigan sales and use tax deposit for month and quarter ended September 30 to claim early payment discount.	
15		Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during September. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and third quarter.	
15		Corporations with fiscal year ending October 31, January 31, April 30, or June 30: <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 December 31, March 31, June 30, or September 30: <ul style="list-style-type: none"> <li>Pay CIT estimate to State of Michigan.</li> </ul>	
16		National Bosses Day.	
21		Michigan Sales, Use and Withholding Taxes Return for the quarter and month ended September 30.	
25		State Employer's Quarterly Wage/Tax Report (Form UA-1028). Pay to State of Michigan – Unemployment Agency.	
31		All Hallow's Eve.	
31		Quarterly payroll reports and deposits: <ul style="list-style-type: none"> <li>Form 941 – Employer's Quarterly Federal Tax Return – deposit balance due electronically. Indicate Form 941, Balance Due on Return, and third quarter.</li> <li>Federal Unemployment Compensation tax deposit for third quarter if the cumulative undeposited tax liability exceeds \$ 500 – deposit electronically. Indicate Form 940 and 2019.</li> </ul>	
31		Corporations with fiscal year ending June 30: <ul style="list-style-type: none"> <li>File CIT return and pay balance due to State of Michigan.</li> </ul>	

SEPTEMBER

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					

OCTOBER

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		

NOVEMBER

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



OCTOBER 2019

## MEALS AND ENTERTAINMENT BEST PRACTICES

The law known as the Tax Cuts and Jobs Act (TCJA) made several changes to deductions for meal and entertainment expenses paid or incurred after 12/31/17, an area that affects a majority of businesses. Certain expenses that were previously either 100% or 50% deductible are now 50% deductible or fully nondeductible. Most impactful and surprising may be the full disallowance of certain expenses deemed as entertainment that were previously 50% deductible. While many businesses had policies and separate accounts to track various meal and entertainment activities before tax reform, now is potentially an even more important time to ensure those practices are in place.

### **Meals and Entertainment Expenses Before and After the TCJA**

	<u>Before TCJA</u>	<u>After TCJA</u>
Employee snacks and beverages treated as de minimis fringe benefits (Example: coffee, juice, bagels that are provided in the employee breakroom)	100% Deductible	50% Deductible
Employee travel meals or meals during business meetings with prospects or customers	50% Deductible	50% Deductible
Employee meals provided for the convenience of the employer (Example: lunch is provided during the monthly manager meeting)	100% Deductible	50% Deductible Nondeductible after 2025
Expenses for recreational, social, or similar activities primarily for the benefit of employees (Example: company holiday parties or annual company picnics)	100% Deductible	100% Deductible
Entertainment expenses (Example: attending a sporting event with a prospect or customer and business topics are discussed)	50% Deductible	Nondeductible

If meal expenses are incurred in connection with entertainment activities (for example, food and beverages at the sporting event mentioned above) the meal expense can only be 50% deductible if the cost is stated separately from the cost of the entertainment activity.

### **Best Practices**

Creating new and separate general ledger accounts to categorize the different levels of deductibility is going to be the best practice in accounting for these changes. At a minimum, it is recommended to maintain a separate account for meals and a separate account for entertainment. The time it takes to sort through and separate account detail on the back end will cost time, effort, and headaches for all involved. As always, ensure you have proper documentation to corroborate the deductions including a receipt, information on the business purpose of the expense, and which employees/customers were included.

We'd be happy to discuss any of these new tax provisions, including how to best track and document these deductions. If you have any questions, please give us a call.