

THE FINANCIAL EDGE

October 2023



FAMILY: A HIDDEN TREASURE

Personal comments by Mary

During my recent vacation I had a deep heartwarming focus on family. Lots of family. It all started with a family reunion that was initiated by my Aunt Sue, last year. Unfortunately, she could not attend. We lost her last year.

First, I went to Arizona and my son John, his fiancé Alicia and my grand dog, Shadow, took off on a road trip to a campground at Lake George, Colorado. There we met more family members; my brother, dad, cousins and uncles. Family came from California, Wisconsin and Arizona to get together.

We had a weekend of adventures and late-night campfires. Then the 3 of us made a mad dash drive back to Arizona. I then spent a few days with my other son James, his wife Stephanie and grandson Easton. My Dad and his wife, Bev, joined us. We soaked up the warm Arizona heat and told stories of

our past. I even got to chase my grandson. We had a great relaxing time. After 10 days I flew back to Green Bay, WI.

Lately family losses are hitting me. My parent's generation is in their 80's and starting to hit 90. I am losing aunts and uncles. It is even hitting closer to home, for within the last 3 years I have lost 4 cousins that I grew up with. The inevitable is impacting my life.

My focus is normally on the future. However, I have lots of really good family history, that will be lost in my mind and heart, if I don't take care. This vacation was one step to help me remember and treasure the family that has helped make me who I am today.

Be sure to treasure your family!

Mary Guldán-Lindstrom



"Family is not an important thing. It's everything." ~ Michael J. Fox

"Improving the lives of small business owners" **FOCUS** CPA Inc



"You guys Rock! Thanks for helping us get started with our new month end reporting system. You made it very easy for our staff to get going with it. Then when we lost our bookkeeper with no notice - you and your staff jumped right in and made sure we had what we needed to keep moving forward. Thanks for all your help."

*Rich Rothmund, President
TA Motorsports Inc.
Premier Arctic Cat, Suzuki, and
Yamaha go-to source!*

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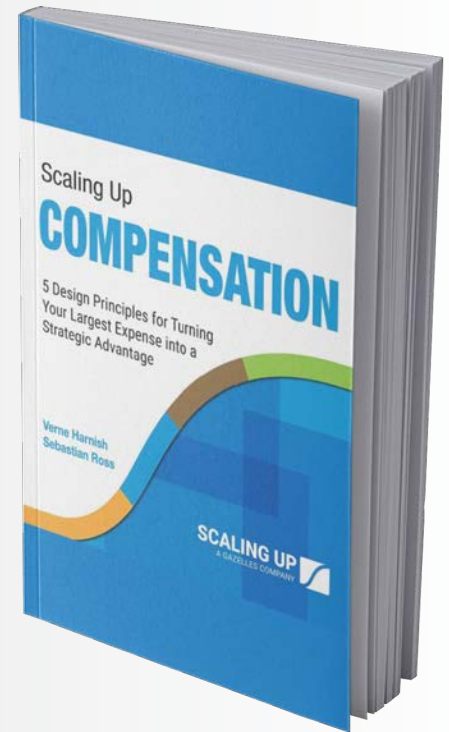
THE BOOK REVIEW

TITLE: Scaling Up Compensation
AUTHOR: Verne Harnish, Sebastian Ross
TOPIC: Compensation
EASY TO READ: \$\$\$\$\$ (5 out of 5 dollars)
APPLICABLE TO SMALL BUSINESS: \$\$\$\$ (4 out of 5 dollars)

Summary: The book laid out 5 design principles to maximize a company’s labor expense; be different, focus on fairness not sameness, easy on carrots, gamify gains and sharing is caring.

My recommendation: The author provides some great ideas and examples to set up compensation. I consider this a reference book to establish and as the company grows - refine wages and incentives.

Pages: 105 | Published: 2022



IRS UPDATE: EMPLOYEE RETENTION CREDIT

By Mary Guldán-Lindstrom CPA

In September the Internal Revenue Service said it’s putting an immediate stop to processing of new claims for the Employee Retention Credit after receiving a surge of questionable claims. It is an attempt to curb abuse and fraud by promoters in “ERC mills”.

- If we have already filed your ERC, the IRS will continue to process ERC claims filed before 9/14, but at a slower pace due to stricter compliance reviews. Per the IRS, “instead of 90 days, the review will take 180 days. That time frame will be extended for claims that raise red flags.”
- If we have not yet filed your ERC, the IRS has imposed a moratorium on processing new claims beginning immediately

and continuing through at least the end of 2023. They know that there are legitimate claims by small businesses that have not yet been filed and they will reopen the process when they have cleared this backlog and established safeguards.

- We do not expect the IRS to make any adjustments to the ERC claims that we calculated for you – we were careful to follow the IRS guidance pertaining to ERC and rejected the overly broad interpretations used by the ERC mills.

If you are still waiting for your refund and are concerned, please call the IRS helpline 1-800-829-4933 to determine the status of your claim.



TAX PLANNING FOR YOUR BUSINESS

By Mary Guldan-Lindstrom CPA

“Those who fail to plan, plan to fail.” For small business owners, this expression holds true. As the year is coming to a close, it is time to think about taxes.

To start **KEEP GOOD RECORDS**. The best way to reduce your tax bill is to keep current financial records. To verify their accuracy, monitor the information on a regular basis. Be sure to capture all your business expenses. Keep your receipts, run all your business income and expenses in one bank account and don't mix personal expenses with business. If you need the expense to earn your business income, most likely it will be tax deductible.

BUSINESS OPPORTUNITIES & ISSUES

1 Invest in equipment. Need to place in service these assets by December 31. A business can write it off under tax code sec 179 up to \$1,160,000. Wisconsin does not allow bonus depreciation but does follow Federal Sec 179 limits.

2 Invest in a company vehicle. If you use your vehicle more than 50% for business consider buying one in the business. Depreciation is \$20,200 for 2023, \$19,500 for year 2, \$11,700 for year 3 and \$6,960 for year 4 and thereafter. Note that the personal portion of a business vehicle is added to your taxable wages.

3 Establish or expand a retirement plan. For those just starting you may be able to claim a tax credit for setup costs of SEP, SIMPLE IRA or qualified plan. Consider making a discretionary profit-sharing contribution. To be tax deductible the contribution must be made no later than the tax return file date. For a business the plan typically has to be set up before 12/31.

4 Maximize the Qualified Business Income deduction. You could avoid paying taxes on 20% of your business income. The calculation is complex and can be an all or nothing option - so plan ahead. For those with service businesses and those with high taxable

income and low wages, there are ways to increase this deduction.

5 Make sure you have the right entity for your business. A sole proprietor may benefit from electing to be taxed as an S corporation. The tax benefit depends on the specific situation.

6 Elect to pay WI taxes at the business level. S corporations can opt to pay WI taxes like a C corporation. The rate is a bit higher, however the WI taxes paid will reduce the Federal taxable income.

CLAIM ALL EXPENSES & TAX CREDITS

■ Vehicle expenses. You can choose between deducting the business portion of the actual costs or deduct 65.5 cents per business mile. A written mileage log documenting business and personal miles is required to take the deduction.

■ Restaurant Meals are 50% deductible now. Entertainment expenses are not tax deductible. Please keep receipts and tax support.

■ Office in the home. If you work out of your home in a space used exclusively for business you can write off a prorated amount of your home costs. The deduction is limited to the taxable income, though costs can be carried forward.

It is critical to consider your personal and business circumstances before implementing any ideas. These suggestions are for discussion purposes. Majority of the items mentioned have very specific requirements. The requirements can be complicated and may yield different results based on your unique situation.

If you have any concerns or want to reduce your tax surprise, call our office 920-351-4842 and set up a tax planning meeting.

TAX PACKAGES ARE COMING!

WANT TO AVOID TAX SURPRISES?

REDUCE YOUR TAX BILL?

We live in a very complex business world. Taxes can be painful as well as complicated. Let's to tax planning, now while you have time to do something about it. We are offering new tax service packages this year – Tax planning with tax preparation.

Look for your special invite or call our office to find out more.

920-351-4842

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BOOK REVIEW: SCALING UP COMPENSATION

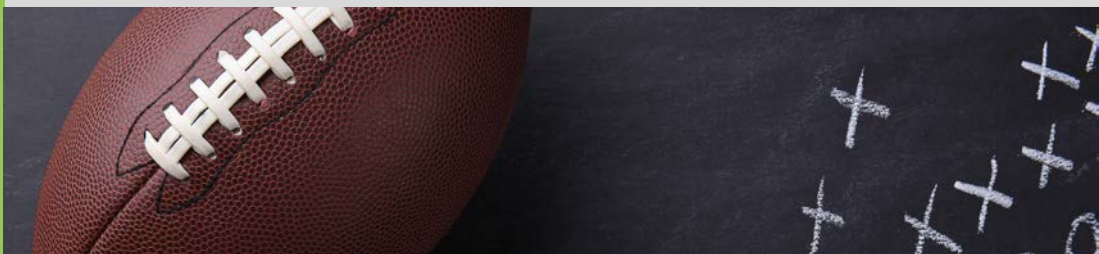
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FOOTBALL JOKES TO MAKE YOU SMILE...

Q: What do you call a lineman's kid?

A: A chip off the old blocker.

Q: Which football player wears the biggest helmet?

A: The one with the biggest head.

Q: Where do football players dance?

A: At a foot ball!

Q: Where do hungry football players play?

A: In the Supper Bowl.

Q: Why was Cinderella such a poor football player?

A: Her coach was a pumpkin.

Q: Where do football players go when they need a new uniform?

A: New Jersey.

Q: When should football players wear armor?

A: When they play knight games.

Q: What did the receiver say to the football?

A: Catch you later.

Q: What happens to football players who go blind?

A: They become referees.

From thesimpleparent.com/30-funny-football-jokes-for-kids/