



## Key Practice Management and Accounting Updates

### DEADLINES

January 31, 2023 –

Deadline for all Forms 1099-NEC filing including e-filed forms

Deadline for all payroll tax reports, W-2's & W-3

February 28, 2023 –

Deadline for 1099-MISC if paper filing

March 15, 2023 –

Deadline for filing S-Corp and Partnership Tax Returns or Extensions

March 31, 2023 –

Deadline for 1099-MISC if e-filing

### QUICKBOOKS

QuickBooks Pro 2023 is now available for purchase. Please update to QuickBooks 2023 if you are currently using 2021 or older. Or talk with us regarding switching to QuickBooks Online – this may be the best option for most!

### IRS STANDARD AUTO MILEAGE RATE

The standard reimbursement rate for automobiles is 62.5 cents per mile for 2022 (post July 1) and 65.5 cents per mile for 2023.

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### WA LONG TERM CARE TAX

Washington implemented an additional payroll tax in 2022 to cover a long-term medical care program. With many complaints about the program, it was delayed shortly after going into effect with amounts withheld returned to employees.

The tax is set to go into effect again starting July 1, 2023. Most major payroll providers should already be prepared for this, but it might not hurt to reach out them before then. You may also want to remind your employees that they will see an additional 0.58% withheld from their paychecks later this year. As with the previous implementation, employers do not pay any of the tax.

Employees can opt out of the program, but they must have purchased their own long-term care coverage from a private insurer prior to December 31, 2022. The only remaining ways for employees to opt out is if they:

1. have a permanent residence in another state,
2. are working in Washington under a temporary visa,
3. are the spouse or registered domestic partner of an active-duty military member, or
4. are a veteran with a 70% or greater service-connected disability

### SALARY SCHEDULES FOR OFFICERS

Salary schedules for corporate officers have been mailed out for the year 2023. Please be sure you have changed your salary and withholding per this schedule with your payroll company. If uncertain, please contact us as soon as possible.

### PAYROLL TAX RATE NOTICES

State Unemployment and L&I Rate notices for 2023 have been mailed by the State. Please be sure to forward these to your payroll company as soon as possible.

## UNANIMOUS CONSENT FORMS FOR CORPORATIONS

If you have received any correspondence from your attorney regarding unanimous consent or annual minutes for your business entity, please be sure to forward it to us. We prepare the information as we complete the business return and will provide that to you for signature and return mailing to the attorney.

## FORMS 1099-MISC (Those you receive)

All Dental Practices will receive Forms 1099 from third party payers. In most cases, you need only collect these and keep them in a safe place. However, there are instances where the payer may withhold federal income tax from the payment they make to you and that withheld tax will be reported on Forms 1099. You may want to peruse your 1099s to be sure tax is not reported and to make sure that there are no interest or dividend 1099s mixed in with your healthcare services 1099s. Interest and dividends will need to be reported on your applicable tax return. If you find any 1099s with withholding and/or any types of 1099s other than healthcare services, please be sure to forward these to us so that we can report it on your tax return and contact that payor to correct their records, so they no longer withhold tax from your payments.

## BONUS DEPRECIATION AND SECTION 179

Part of the tax reform changes of 2018 greatly enhanced the opportunities for businesses to write off the entire cost of fixed assets in the year of acquisition. Absent this provision, the deductions would come in the form of depreciation over the life of the asset. This 100% bonus depreciation expired on January 1, 2023, and you can now deduct only 80% of the asset in the year of acquisition. As we have seen, the further out we project, there is always a chance that tax laws could change. But as it stands now, here is a reminder of the amount of bonus depreciation you can claim:

Asset placed in service through	Bonus Depreciation
December 31, 2022	100%
December 31, 2023	80%
December 31, 2024	60%
December 31, 2025	40%
December 31, 2026	20%

**Section 179:** Similar to bonus depreciation is Section 179, which allows the full cost of an asset to be written off in the year of purchase. Now that bonus depreciation is no longer 100%, many businesses will instead choose to claim Section 179 depreciation.

However, there are limits to how much can be claimed under Section 179, and a business must have positive income to get any 179 benefits. Certain types of assets, such as real estate, may qualify under one method but not the other. Furthermore, you can pick and choose which assets to apply Section 179 to, but bonus depreciation must be applied to all assets within a given class (or none, if you opt out).