

Happy Holidays from Foti, Flynn, Lowen & Co!

Our offices will be closed Christmas Eve, Christmas Day, and New Year's Day.



Important Alert!

Many of our clients have concerns about identity theft and their tax returns. We will be sending out a special issue of our newsletter in a couple of weeks devoted to this topic, but in the meantime, please remember that the IRS will never initially contact you by phone or email. If you have not received a letter from the IRS regarding your return, you should not give out any personal information via phone or email to someone claiming to represent them without first consulting us!

[Visit Our Website](#)

Tax Law Updates:

On December 15th, Congress reached an agreement on "tax extenders" legislation called the "Protecting Americans from Tax Hikes (PATH) Act of 2015."

For individuals, the key highlight of this law is the permanent extension of tax-free distributions from IRAs to charity for individuals over 70 ½ years of age. These distributions cannot exceed \$100,000 per taxpayer per year.

The following key provisions affect businesses:

- Permanent extension of \$500,000 Section 179 expensing
- Permanent reduction of built-in gains recognition period for S-Corporations from 10 to 5 years
- Temporary extension of Bonus Depreciation through 2019

In addition to the PATH act, the IRS has increased the expensing safe harbor provision. The repair and maintenance regulations that went into effect in 2014 allowed businesses with audited financial statements to deduct items costing up to \$5,000 that would otherwise require capitalization.

The safe harbor for firms without audited financial statements was initially set at \$500. However, the IRS has increased the safe harbor to \$2,500 for tax years after 2015. The IRS also will not challenge earlier implementation.

For a complete summary of the changes, please click the link below to go to the House Ways & Means Committee summary of the law:

[PATH Act Summary](#)

Do you know about our Small Business Department?

Many of you already know and trust Foti, Flynn, Lowen & Company for your tax and personal accounting needs, but did you know we can also help your small business bookkeeping, financial statements, and payroll services?

Bookkeeping Services:

Tired of dealing with paperwork and want to focus on your core business instead? The SBD can help by reviewing and reconciling your bank statements, categorizing transactions so that you can easily see how much you spent on rent, maintenance, products, etc. We can also help you find discrepancies that might indicate a problem and file local sales tax, meals tax, or other tax forms. After reviewing your statements, the SBD will generate financial reports to show you how your business is performing. Every financial statement is reviewed by a CPA to ensure accuracy.

Payroll Services:

Our team of experts in the SBD keeps track of payroll tax law changes so you don't have to! We can save your business money by helping you avoid late tax-payment penalties, free your staff from having to maintain an in-house payroll system, and provide extraordinary reliability to make sure your employees are paid accurately and on-time.

Quickbooks Expertise:

We know that many small businesses use Quickbooks for their bookkeeping needs, so we're proud members of Intuit's ProAdvisor program for Quickbooks consultants. Our accounting professionals keep up with the latest features and changes to this software, so we can customize it to your needs!

At Foti, Flynn, Lowen and Company, we strive to create solutions that work for you, our valued clients. Our Small Business Department can handle the complex accounting and payroll issues so that you can spend time running your business. Want more information? Contact one of our partners or our SBD manager, Jeremy Weaver, at 540-344-9246 or jweaver@fflc.com.

[More SBD Info on our Website!](#)