

INTUIT Accountants

Tax Planning Guide 2024-2025

Dear Tax Professional,

Thank you for your interest in Intuit ProConnect Tax, Intuit Lacerte Tax, and Intuit ProSeries Tax. To help you plan for a successful year and to say thank you, please enjoy this copy of the 2024-2025 Intuit Accountants Tax Planning Guide.

What's inside:

- New tax law changes for tax year 2024
- Key deadlines to help with tax compliance and planning
- Recommended to-do lists
- Specialized tips for important client life events and more

Your work relies on your expertise, and this guide will provide you with a supplemental framework to help you stay informed, save time on planning ahead, and align your team for efficiency and success.

Thank you again for your interest in Intuit professional tax products. If you have any questions please contact one of our tax consultants at 866-253-3168.

Sincerely,

The Intuit Accountants Team

PLEASE NOTE: Regulations change constantly, and while we encourage you to use this document to help inform you with decision making and planning, it's important for you to determine how the following information applies to you, your practice, and your clients.

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Table of Contents

The SECURE 2.0 Act and other tax law changes for 2024	1
Key tax facts for 2024	3
June 2024 key compliance dates	4
FinCEN's beneficial ownership reporting: What small businesses need to know for 2024	5
July 2024 key compliance dates	6
Navigating pass-through entity taxation for business growth	7
August 2024 key compliance dates	9
AI innovations: Transforming your accounting firm for the future	10
September 2024 key compliance dates	11
Reshaping accounting: The Millennial and Gen Z revolution	12
October 2024 key compliance dates	13
Maximizing value over volume: A strategic approach for accounting firms	14
November 2024 key compliance dates	16
Navigating year-end tax planning: A guide for businesses	17
December 2024 key compliance dates	18
Trends and changes for best practices in your practice	19
January 2025 key compliance dates	20
The strategic edge of niche specialization in accounting	22
February 2025 key compliance dates	23
Revolutionizing accounting: Embracing subscription models and value pricing	24
March 2025 key compliance dates	25
Navigating the 2024 estate tax law changes	26
April 2025 key compliance dates	29
Trends and changes—combining bookkeeping and tax compliance for a holistic touch for small businesses	30
May 2025 key compliance dates	32

The SECURE 2.0 Act and other tax law changes for 2024

In December 2022, Congress passed the SECURE 2.0 Act as part of the larger \$1.7 trillion omnibus spending bill. Building upon the original SECURE Act from 2019, this bipartisan legislation aims to further strengthen retirement security for millions of Americans. With over 90 provisions, the SECURE 2.0 Act introduces significant changes and improvements to the retirement landscape. Here are some of the major points:

Increased catch-up contributions

One of the key provisions allows for greater catch-up contributions to retirement accounts like 401(k)s and IRAs for older workers. Starting in 2025, individuals ages 60-63 can make catch-up contributions of up to \$10,000 annually to workplace retirement plans like 401(k)s. This is a substantial increase from the current \$7,500 limit for those 50 and older. Additionally, the catch-up contribution limits for IRAs will be indexed to inflation starting in 2024, allowing savers to set aside more as costs rise over time.

Boosting small business retirement plans

The legislation includes several provisions to incentivize small businesses to offer retirement plans and make it easier for employees to participate. It creates new tax credits for small employers that join an existing 401(k) or 403(b) plan, as well as for those that automatically enroll workers into their company's plan. There are also increased tax credits for establishing a retirement plan of up to \$5,000 per year for up to three years.

Part-time worker access

Long-term, part-time workers will gain access to their employer's 401(k) plan under the new rules. Those who work at least 500 hours per year for two consecutive years must be allowed to participate in their workplace retirement plan. This provision aims to extend retirement plan coverage to millions of part-time workers previously excluded.

Emergency savings accounts

In recognition of the need for short-term emergency savings, the SECURE 2.0 Act allows employers to automatically enroll workers into emergency savings accounts linked to their retirement plans. Employees can allocate a portion of each paycheck to build up a rainy-day fund, with contributions capped between \$2,500 or 50% of the previous year's deferral under the plan.

Student loan assistance

To help workers burdened with student debt save for retirement, the act permits employers to make matching contributions to retirement plans based on an

employee's qualified student loan payments. This allows employees to receive the benefit of an employer match while paying down educational debt.

Increased required minimum distribution (RMD) age

The age at which individuals must begin taking required minimum distributions from tax-deferred retirement accounts was increased yet again. The SECURE 2.0 Act gradually raises the RMD age from 72 to 73 in 2023, and 75 in 2033. This allows retirement assets more time to potentially grow tax-deferred.

Roth plan catch-up contributions

Beginning in 2024, the legislation requires catch-up contributions for those meeting certain income limits to be made to Roth accounts like Roth 401(k)s instead of pre-tax accounts. This provision sunsets after 2031 unless extended by Congress. The income threshold is \$145,000.

Surviving spouse protections

The act provides greater protection for retirement assets when a spouse dies. It allows the remaining balance in the deceased spouse's 401(k) or other retirement account to be rolled over to the surviving spouse's retirement account and remain tax-deferred.

Automatic enrollment and escalation

New 401(k) and 403(b) plans will be required to automatically enroll participants upon becoming eligible, starting with an initial deferral of at least 3% of salary. Plans can also allow workers to elect to have contributions automatically escalated each year until reaching at least 10% deferral, helping boost savings rates.

Roth catch-up contributions

The legislation allows non-Roth plan participants to have catch-up contributions made to Roth accounts starting in 2024. For those meeting certain income limits, all catch-up contributions must go into a Roth account.



The SECURE 2.0 Act and other tax law changes for 2024 (continued)

Assistance for military spouses

The SECURE 2.0 Act provides greater flexibility for military spouses when it comes to penalties for retirement plan withdrawals. It allows an exception to the 10% early withdrawal penalty if the distribution is less than \$1,000 annually and related to the relocation of a military spouse.

Retirement plan starter 401(k)s

The act creates new tax incentives for employers to offer "starter" 401(k) plans with more affordable administrative requirements. These new plans aim to drive higher participation among smaller businesses.

Certain withdrawal penalties eliminated

Under current law, participants face a 10% penalty for withdrawing retirement funds before age 59 1/2. The SECURE 2.0 Act provides important exceptions in cases like domestic abuse, terminally ill individuals, and certain emergencies like wildfires and pandemics.

Enhanced Saver's Credit

To boost retirement savings for lower- and middle-income workers, the act expands the existing Saver's Credit by increasing the income limits to qualify. It also applies the credit for investments in ABLE accounts for those with disabilities.

These major provisions represent a comprehensive effort to address persistent challenges like increasing access to retirement plans, incentivizing higher savings rates, and providing greater flexibility for all workers in preparing for a secure financial future. With over 90 key provisions, the SECURE 2.0 Act is one of the most impactful pieces of retirement legislation in decades.

Of course, implementation of these sweeping changes will take time. Some provisions are effective immediately, while others phase in over the coming years. The retirement industry, employers, and individual savers will need to adapt to the new rules and requirements. Financial advisors can provide important guidance to ensure individuals understand how to maximize the new opportunities and benefits included in this landmark legislation.



Key tax facts for 2024

STANDARD DEDUCTION

Married filing jointly/surviving spouse	\$29,200
Single	\$14,600
Head of household	\$21,900
Married filing separately	\$14,600
Dependent taxpayers	\$1,300

ADDITIONAL STANDARD DEDUCTION

	65+ or blind	65+ and blind
Married/surviving spouse	\$1,550	\$3,000
Unmarried	\$1,950	\$3,700

ADOPTION CREDIT

Maximum credit	\$16,810
Phaseout range	\$252,150-\$292,150

EDUCATION CREDITS

American Opportunity—maximum credit	\$2,500
Phaseout threshold—joint filers	\$160,000-\$180,000
Phaseout threshold—all other filers	\$80,000-\$90,000
Lifetime Learning—maximum credit	\$2,000
Phaseout threshold—joint filers	\$160,000-\$180,000
Phaseout threshold—all other filers	\$80,000-\$90,000

EDUCATOR EXPENSE DEDUCTION

Maximum deduction	\$300
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EDUCATION SAVINGS BOND EXCLUSION

Phaseout range—joint filers	\$145,200-\$195,000
Phaseout range—all other filers	\$96,800-\$111,800

STUDENT LOAN INTEREST DEDUCTION

Maximum deduction	\$2,500
Phaseout range—joint filers	\$165,000-\$195,000
Phaseout range—all other filers	\$80,000-\$95,000

LONG-TERM CARE INSURANCE DEDUCTION

Age at close of year	Premiums eligible for medical expense deduction
40 or younger	\$470
Older than 40 but not more than 50	\$880
Older than 50 but not more than 60	\$1,760
Older than 60 but not more than 70	\$4,710
Older than 70	\$5,880

HEALTH SAVINGS ACCOUNTS

	Self-Only	Family
HDHP deductible	\$1,600	\$3,200
Out-of-pocket expense cap	\$8,050	\$16,100
Maximum contribution	\$4,150	\$8,300

MEDICAL SAVINGS ACCOUNTS

	Self-Only	Family
HDHP deductible	\$2,800-\$4,150	\$5,550-\$8,350
Out-of-pocket expense cap	\$5,550	\$10,200

HEALTH FLEXIBLE SPENDING ACCOUNTS

Maximum salary reduction contribution	\$3,200
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TRANSPORTATION FRINGE BENEFITS

Vanpool/transit pass monthly exclusion	\$315
Qualified parking monthly exclusion	\$315

CAPITAL GAINS TAX RATES

Type of return	Joint return/ surviving spouse	Head of household	Single
Maximum zero rate amount	\$94,050	\$63,000	\$47,025
Maximum 15% rate amount	\$583,750	\$551,350	\$518,900

INDIVIDUAL RETIREMENT ACCOUNT DEDUCTION

Maximum deduction	\$7,000
Catch-up contribution age 50 or older	\$1,000
Phaseout range—joint filers	\$123,000-\$143,000
Phaseout range—single/head of household	\$77,000-\$88,000
Phaseout range—married filing separately	\$0-\$10,000
Phaseout range—joint filer/active participant spouse	\$230,000-\$240,000

ROTH IRA CONTRIBUTION

Maximum contribution	\$7,000
Catch-up contribution age 50 or older	\$1,000
Phaseout range—joint filers	\$230,000-\$240,000
Phaseout range—single/head of household	\$146,000-\$161,000
Phaseout range—married filing separately	\$0-\$10,000

RETIREMENT SAVINGS CONTRIBUTION CREDIT

Credit percentage	50%	20%	10%
AGI limit—joint filers	\$0-\$46,000	\$46,001-\$50,000	\$50,001-\$76,500
AGI limit—head of household	\$0-\$34,500	\$34,501-\$37,500	\$37,501-\$57,375
AGI limit—other filers	\$0-\$23,000	\$23,001-\$25,000	\$25,001-\$38,250

SOCIAL SECURITY TAXES

Maximum net taxable self-employment earnings	\$168,600
"Nanny tax" threshold	\$2,700

FOREIGN INCOME

Foreign earned income exclusion	\$126,500
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ANNUAL EXCLUSION FOR GIFTS

Gift tax exclusion	\$18,000
Exclusion for gifts to a non-citizen spouse	\$185,000

MILEAGE ALLOWANCES

Standard business mileage allowance	67¢
Medical and moving allowance	21¢
Maximum contribution	14¢

June 2024

Key compliance dates

Wednesday, June 5

Semiweekly depositors deposit FICA and withheld income tax on wages paid on May 29-31.

Friday, June 7

Semiweekly depositors deposit FICA and withheld income tax on wages paid on June 1-4.

Monday, June 10

Tipped employees who received \$20 or more in tips during May report them to the employer on Form 4070.

Wednesday, June 12

Semiweekly depositors deposit FICA and withheld income tax on wages paid on June 5-7.

Friday, June 14

Semiweekly depositors deposit FICA and withheld income tax on wages paid June 8-11.

Monday, June 17

Individuals: Make a payment of your 2024 estimated tax if you're not paying your income tax for the year through withholding (or won't pay in enough tax that way). Use Form 1040-ES. This is the second installment date for estimated tax in 2024. For more information, see Pub. 505.

Corporations: Deposit the second installment of estimated income tax for 2024. A worksheet, Form 1120-W, is available to help you estimate your tax for the year.

Social Security, Medicare, and withheld income tax: If the monthly deposit rule applies, deposit the tax for payments made in May.

Monthly depositors deposit FICA and withheld income tax for May.

Wednesday, June 19

Semiweekly depositors deposit FICA and withheld income tax on wages paid June 12-14.

Friday, June 21

Semiweekly depositors deposit FICA and withheld income tax on wages paid June 15-18.

Wednesday, June 26

Semiweekly depositors deposit FICA and withheld income tax on wages paid June 19-21.

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Friday, June 28

Semiweekly depositors deposit FICA and withheld income tax on wages paid June 22-25.

To-do list

- File returns or extensions for taxpayers abroad.
- Review tax law changes for 2024.
- Schedule much-needed R&R.

FinCEN's beneficial ownership reporting: What small businesses need to know for 2024

The Beneficial Ownership Information Reporting Rule, mandated by the Financial Crimes Enforcement Network (FinCEN) under the Corporate Transparency Act (CTA), is set to enhance transparency in the ownership of entities starting January 1, 2024. This initiative targets to curb financial crimes by requiring specific businesses to disclose their beneficial owners and those who control or have significant interest in them. Noncompliance could lead to severe penalties. The measure aims to deter illicit activities by making it challenging for offenders to conceal their identities behind corporate structures, thus safeguarding the integrity of the U.S. financial system.

Reporting companies

Under the Corporate Transparency Act, both domestic and foreign entities must report beneficial ownership information, with exemptions for certain business types like large operating companies and tax-exempt organizations. Required details include legal names, addresses, and taxpayer identification numbers. Access to this sensitive information is strictly controlled by FinCEN, ensuring it's used solely for authorized purposes like law enforcement, with robust protections in place to maintain confidentiality and security. This initiative aims to enhance transparency and combat financial crimes effectively.

Beneficial owners

The Corporate Transparency Act defines beneficial owners as individuals who exercise significant control over or own substantial interests in a reporting company, including both direct and indirect ownership. The specific information required for these beneficial owners encompasses their legal name, date of birth, residential address, and identifying document details. Not all individuals are classified as beneficial owners; exceptions include minors (where a parent or guardian is reported instead), nominees, and employees without significant control, among others. FinCEN restricts access to this sensitive information, ensuring it's used solely for legitimate purposes by authorized entities, thereby enhancing the security and confidentiality of the reported data.

Company applicants

The Corporate Transparency Act mandates specific entities to report beneficial ownership and company applicant information to FinCEN, distinguishing between domestic and foreign entities. Company applicants are identified as those who file relevant documents for entity creation or registration in the U.S., with requirements to

report personal and identifying information. The act does not necessitate reporting companies existing before the rule's effective date to disclose company applicants, nor update their information post-registration. Moreover, companies created or registered post-January 1, 2024, face deadlines for submitting their initial reports, with a mandate to correct or update information as needed. FinCEN's outreach aims to educate on reporting obligations, clarifying that entities can file without professional assistance, although it's available for those who need it.

Reports timing

FinCEN mandates electronic filing of beneficial ownership information via its BOI E-Filing website, starting January 1, 2024. Initial reporting deadlines vary: companies existing before 2024 must file by January 1, 2025; those registered in 2024 have 90 days post-registration; and entities created or registered from 2025 onwards have 30 days. Corrections or updates to reports must be made within 30 days of recognizing inaccuracies or changes. FinCEN ensures data security in a nonpublic database and specifies no filing fees, with forms accessible on their website.

Compliance and enforcement

Noncompliance with beneficial ownership reporting carries significant penalties, including daily civil fines up to \$500 and criminal charges with fines up to \$10,000 or two years of imprisonment. Senior officers may be held accountable for failures to submit required reports, underscoring the importance of accurate and timely compliance.

The Beneficial Ownership Information Reporting initiative is designed to deter illegal use of legal entities while aiming not to overburden legitimate small businesses vital to the U.S. economy. Businesses must identify whether they are reporting entities, confirm any exemptions, and ascertain beneficial ownership details. This information, which includes personal and identification details of beneficial owners and company applicants, is to be securely submitted to FinCEN. Compliance requires careful preparation, and for further guidance, firms are encouraged to refer to FinCEN's [FAQ](#) on BOI reporting.

July 2024

Key compliance dates

Wednesday, July 3

Semiweekly depositors deposit FICA and withheld income tax on wages paid on June 26-28.

Monday, July 8

Semiweekly depositors deposit FICA and withheld income tax on wages paid on June 29-30.

Semiweekly depositors deposit FICA and withheld income tax on wages paid on July 1-2.

Wednesday, July 10

Semiweekly depositors deposit FICA and withheld income tax on wages paid on July 3-5.

Tipped employees who received \$20 or more in tips during June report them to the employer on Form 4070.

Friday, July 12

Semiweekly depositors deposit FICA and withheld income tax on wages paid on July 6-9.

Monday, July 15

Monthly depositors deposit FICA and withheld income tax for June.

Wednesday, July 17

Semiweekly depositors deposit FICA and withheld income tax for July 10-12.

Friday, July 19

Semiweekly depositors deposit FICA and withheld income tax on wages paid on July 13-16.

Social Security, Medicare, and withheld income tax: If the monthly deposit rule applies, deposit the tax for payments made in June.

Wednesday, July 24

Semiweekly depositors deposit FICA and withheld income tax on wages paid on July 17-19.

Friday, July 26

Semiweekly depositors deposit FICA and withheld income tax on wages paid on July 20-23.

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Wednesday, July 31

Semiweekly depositors deposit FICA and withheld income tax on wages paid on July 24-26.

File Form 941 for the second quarter of 2024 (if tax deposited in full and on time, file by July 27-30).

Deposit FUTA tax owed through June if more than \$500. File 2023 Form 5500 or 5500-EZ for calendar-year retirement and benefit plans.

To-do list

- Alert clients to 2024 mid-year tax planning opportunities.
- Schedule Continuing Personal Education for 2024.

Navigating pass-through entity taxation for business growth

Pass-through entities, fundamental to small business operations and prevalent across the U.S., directly pass income to owners or members, avoiding corporate income tax at the entity level. Partnerships and S corporations allow income to flow to individuals who then pay personal income taxes on their share, distinguishing them from traditional corporations subject to double taxation. The Tax Cuts and Jobs Act further incentivizes this structure by offering a Qualified Business Income Tax Deduction, reducing taxable income for eligible owners by up to 20%. This taxation framework supports the principle of single taxation and is pivotal for the majority of U.S. businesses aiming to minimize tax liabilities while ensuring compliance with both federal and state regulations.

Understanding pass-through entities

In the realm of business entities, understanding pass-through entities is crucial. Pass-through entities, including S corporations and partnerships, are defined by their characteristic of not paying income taxes directly; instead, the income passes through to the owners, who then pay taxes on their personal income tax forms. Within this framework, there are several common types:

- **Partnerships:** Businesses owned by two or more individuals who share profits and losses. Partnerships file an entity-level tax return (Form 1065), with each partner reporting their share of income on Schedule E.
- **S corporations:** These entities, limited to 100 shareholders, pass profits and losses through to shareholders who report them on Schedule E. S corporation owners are required to pay themselves "reasonable compensation," subject to applicable payroll taxes.

Understanding these types of pass-through entities is essential for navigating the tax implications and benefits associated with each structure.

The impact of the Tax Cuts and Jobs Act (TCJA) on pass-through entities

The Tax Cuts and Jobs Act of December 22, 2017, brought significant changes affecting pass-through entities, notably through the imposition of a \$10,000 cap on state and local tax (SALT) deductions for individual taxpayers. This limitation, effective since January 1, 2018, and scheduled to last until the end of 2025, prompted various states to introduce workaround initiatives, such as employment or charitable contribution-based strategies. Connecticut notably pioneered a pass-through entity tax (PTET) workaround to counter the TCJA's SALT cap,

obligating entities to pay taxes on Connecticut-sourced income. The IRS later issued regulations confirming the permissibility of such PTET workarounds, prompting many states to adopt similar programs.

Making the pass-through entity election

Establishing a flow-through entity involves selecting between an LLC, S corporation, or sole proprietorship, followed by several steps in the tax filing process:

- **Calculate taxable business income:** Determine the taxable income before owner's compensation.
- **Allocate income:** Divide taxable income based on ownership percentages; for instance, if you own 100% of the business, you're taxed on the entirety of the income.
- **Report income:** Report your share of the business income on tax Form 1040.
- **Pay taxes:** Pay taxes based on this personal taxable income.

Different types of business entities may require additional tax forms; for instance, S corporations need to provide IRS Form 1120-S. Most flow-through entities, including many LLCs, are subject to IRS self-employment tax, typically 15.3% of earnings, along with state and local taxes where applicable.

Flow-through entities address the issue of double taxation, where C corporations and shareholders are taxed on the same income twice. Corporations pay taxes on earnings, and when dividends are distributed to shareholders, they're taxed again. To avoid this, pass-through entities treat business income as the income of investors or shareholders, who pay taxes on it as ordinary income at their personal tax rates.

Potential benefits and drawbacks of electing pass-through status

Choosing to elect pass-through status for your business entails weighing potential benefits and drawbacks.

Benefits of pass-through taxation:

- **Avoidance of double taxation:** Pass-through taxation prevents double taxation, unlike traditional corporations where income is taxed at both the corporate and personal levels.
- **Eligibility for QBI deduction:** Owners of pass-through entities may qualify for a qualified business income (QBI) deduction of up to 20%.
- **Eligibility for the PTET election** for various states with high state income tax rates.

Navigating pass-through entity taxation for business growth (continued)

Disadvantages of pass-through taxation:

- Taxation on unrealized income: Owners may be taxed on income they didn't receive, as pass-through entities can't defer taxes on profits intended for reinvestment.
- Potential higher tax burden: Despite avoiding corporate taxes, owners may face higher self-employment taxes and personal income taxes, leading to a potentially higher overall tax burden.

Furthermore, while pass-through entities benefit from single taxation, it's essential to recognize the possibility of higher personal tax liability and the inability to defer taxes on reinvested profits, making careful consideration crucial when making the pass-through entity election.

Conclusion

The landscape of pass-through entity taxation presents both opportunities and challenges. Staying abreast of legislative changes and engaging with tax professionals can help navigate these complexities, ensuring that businesses maximize their tax benefits while adhering to compliance requirements. The shift toward pass-through entity structures underscores the evolving nature of business taxation in the U.S., highlighting the importance of informed decision-making in the pursuit of financial optimization and growth.



August 2024

Key compliance dates

Friday, August 2

Semiweekly depositors deposit FICA and withheld income tax on wages paid on July 27-30.

Deposit FUTA tax owed through June if more than \$500. File 2023 Form 5500 or 5500-EZ for calendar-year retirement and benefit plans.

Wednesday, August 7

Semiweekly depositors deposit FICA and withheld income tax on wages paid on July 31-August 2.

Friday, August 9

Semiweekly depositors deposit FICA and withheld income tax on wages paid on August 3-6.

Monday, August 12

Tipped employees who received \$20 or more in tips during July report them to the employer on Form 4070.

File Form 941 for the second quarter of 2024 if tax deposited in full and on time.

Wednesday, August 14

Semiweekly depositors deposit FICA and withheld income tax on wages paid on August 7-9.

Thursday, August 15

Monthly depositors deposit FICA and withheld income tax for July.

Friday, August 16

Semiweekly depositors deposit FICA and withheld income tax on wages paid on August 10-13.

Wednesday, August 21

Semiweekly depositors deposit FICA and withheld income tax for August 14-16.

Social Security, Medicare, and withheld income tax: If the monthly deposit rule applies, deposit the tax for payments made in July.

Friday, August 23

Semiweekly depositors deposit FICA and withheld income tax on wages paid on August 17-20.

Wednesday, August 28

Semiweekly depositors deposit FICA and withheld income tax on wages paid on August 21-23.

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18	19	20	21	22	23	24	
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Friday, August 30

Semiweekly depositors deposit FICA and withheld income tax on wages paid on August 24-27.

To-do list

- Remind clients of September 15 estimated tax payment for individuals and calendar-year corporations.
- Remind calendar-year S corporations and partnerships with returns on extension of September 15 filing deadline.
- Alert clients who are parents of first-year college students of the American Opportunity tax credit.

AI innovations: Transforming your accounting firm for the future

In the rapidly evolving landscape of accounting, the integration of Artificial Intelligence (AI) stands as a beacon of progress, offering unprecedented opportunities to enhance operational efficiency, bolster accuracy, and elevate client satisfaction. The realm of accounting is witnessing a transformative journey, where AI is not just a futuristic concept but a practical tool reshaping how firms conduct their business. From automating mundane tasks to providing deep analytical insights, AI's role in the industry is multifaceted and deeply impactful.

Diving into the world of accounting with the power of Artificial Intelligence opens a new chapter of efficiency and innovation for firms ready to embrace change. As we explore the practical ways AI can revolutionize your firm, we'll delve into how this technology not only streamlines operations but also brings a higher level of service to your clients. From automating the mundane to uncovering insights that drive strategic decisions, AI is reshaping the accounting landscape, offering tools and applications that transform data management, client engagement, and overall firm productivity. Let's explore how integrating AI into your accounting firm can turn challenges into opportunities, setting the stage for a future where technology and human expertise converge to create unparalleled value:

- **Streamlined research and operations:** Enhances the efficiency of researching tax codes and standards by integrating directly into workflows, providing anticipatory prompts based on client data and regulatory changes, and summarizing research for tailored client communications. Additionally, it automates repetitive tasks such as data entry, scheduling, and bookkeeping to focus on strategic tasks.
- **Proactive client engagement:** Utilizes client data and regulatory changes to identify tax advisory opportunities, crafting tailored communications that inform clients about potential tax implications, fostering proactive relationships, and uncovering additional revenue streams.
- **Enhanced client interactions:** AI-powered chatbots deliver instant responses to client inquiries, and automated client letters and personalized recommendations offer client-focused insights, strengthening customer relationships and streamlining account management.
- **Optimized firm management:** Provides intelligent insights to improve internal processes and profitability; tracks metrics to optimize client relationships, staff assignments, and resource

allocation; and assists in creating marketing content, including blogs and social media posts.

- **Compliance and fraud detection:** Ensures regulatory compliance and detects potential financial fraud, contributing to robust risk management strategies.
- **Creative and analytical support:** Aids in creating educational content, solving business challenges, and stimulating creative ideation for new services or client solutions. Enhances data management and analytics through Optical Character Recognition (OCR) and Robotic Process Automation (RPA), providing strategic insights for decision-making.
- **Improved productivity:** By automating time-consuming tasks, AI allows professionals to concentrate on more significant aspects of their work, such as strategic decision-making and complex analysis, which require human judgment and expertise.

Intuit Assist

Intuit Assist, leveraging generative AI, offers tailored recommendations to enhance small business and personal finance management. Integrated with Mailchimp, it transforms email marketing by personalizing layouts with your brand's tone, targeting specific demographics, and optimizing content for engagement. It schedules emails, suggests follow-ups, and analyzes past campaigns for strategic improvements. In QuickBooks, Intuit Assist provides financial insights, predicts cash flow changes, and offers personalized dashboard insights. It facilitates onboarding, integrates website data, analyzes spreadsheets for insights, manages invoice reminders, and connects users with experts through live chat or calls, streamlining financial and marketing operations.

Conclusion

To sum up, the integration of AI into accounting practices heralds a new era of efficiency and client service excellence. By automating routine tasks, refining client communication, and streamlining data management, AI not only boosts productivity but also strengthens the bonds with clients, nurturing a culture ripe for innovation and strategic growth. Embracing AI requires a thoughtful approach, including developing precise prompts for AI tools, staying informed about industry-specific AI advancements, and committing to ongoing experimentation with AI technologies. By navigating these steps, your firm can fully harness the potential of AI, positioning itself at the forefront of the accounting sector's future.

September 2024

Key compliance dates

Thursday, September 5

Semiweekly depositors deposit FICA and withheld income tax on wages paid on August 28-30.

Friday, September 6

Semiweekly depositors deposit FICA and withheld income tax on wages paid on August 31-September 3.

Tuesday, September 10

Tipped employees who received \$20 or more in tips during August report them to the employer on Form 4070.

Wednesday, September 11

Semiweekly depositors deposit FICA and withheld income tax on wages paid on September 4-6.

Friday, September 13

Semiweekly depositors deposit FICA and withheld income tax on wages paid on September 7-10.

Monday, September 16

Individuals: Make a payment of your 2024 estimated tax if you're not paying your income tax for the year through withholding (or won't pay in enough tax that way). Use Form 1040-ES. This is the third installment date for estimated tax in 2024.

Partnerships: File a 2023 calendar year return (Form 1065). This due date applies only if you timely requested an automatic 6-month extension. Otherwise, see Partnerships under March 15, earlier.

S corporations: File a 2023 calendar year income tax return (Form 1120-S) and pay any tax, interest, and penalties due. This due date applies only if you timely requested an automatic 6-month extension of time to file the return.

Corporations: Deposit the third installment of estimated income tax for 2024. A worksheet, Form 1120-W, is available to help you estimate your tax for the year.

Social Security, Medicare, and withheld income tax: If the monthly deposit rule applies, deposit the tax for payments made in August.

Monthly depositors deposit FICA and withheld income tax for August.

Wednesday, September 18

Semiweekly depositors deposit FICA and withheld income tax on wages paid on September 11-13.

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Friday, September 20

Semiweekly depositors deposit FICA and withheld income tax on wages paid on September 14-17.

Wednesday, September 25

Semiweekly depositors deposit FICA and withheld income tax on wages paid on September 18-20.

Friday, September 27

Semiweekly depositors deposit FICA and withheld income tax on wages paid on September 21-24.

To-do list

- Schedule appointments with individual clients for year-end tax planning sessions.
- Remind individual clients and C corporations of extended October 15 filing deadline for 2024 returns.
- File returns for calendar-year S corporations and partnerships that obtained automatic extensions.

Reshaping accounting: The Millennial and Gen Z revolution

As Millennials dominate the U.S. workforce and Gen Z's presence burgeons, accounting sees an influx of these vibrant generations. By 2025, Gen Z alone will constitute 27% of the labor force, with a notable rise in accounting majors. This trend heralds a dynamic shift in the industry, promising fresh perspectives and evolving work ethics. In this landscape, understanding the distinct characteristics and professional aspirations of these younger generations is crucial for firms aiming to harness their potential and adapt to the changing face of accounting.

Work culture and environment preferences

Millennials and Gen Z in the accounting field prioritize work-life balance, value alignment with their firms, and seek meaningful work. They favor flexible, hybrid work models and wellness programs, emphasizing the importance of environmental and social governance. These generations desire clear communication, recognition, and personal and professional growth opportunities. They also place a high value on the quality of management, purposeful work, advancement opportunities, and compensation, reflecting their expectations for a supportive and engaging workplace culture.

Career goals and professional development

Millennials and Gen Z in accounting aspire for growth, learning, and purposeful work. They prefer varied training methods, including online and mentorship, to develop professionally. Valuing impact, they seek roles where they can influence both their firm and society. Emphasizing meaningful work, they desire positions that contribute to social good and offer personal fulfillment. They prioritize work-life balance and quality management, favoring environments that support personal and career development.

Impact on the accounting industry

Millennials and Gen Z are driving significant changes in the accounting industry, prioritizing meaningful work that impacts their organizations and society. Their desire to be influencers is reshaping the role of accountants into trusted advisors and emphasizing the importance of sustainability, ethical considerations, and social responsibility. Additionally, the adoption of modern accounting technology is crucial for attracting and retaining this younger workforce, fostering a culture of innovation and collaboration within the industry.

Strategies for firms to adapt

To attract and retain Millennial and Gen Z talent, accounting firms should offer clear career advancement paths, adopt flexible work cultures, and foster a

community-oriented workplace. Emphasizing technology, transparency in operations, and opportunities for professional development, including mentorship and varied training modalities, is crucial. Engaging these generations in meaningful work and involving them in projects early can also enhance their sense of purpose and contribution to societal good.

Conclusion

As Millennials and Gen Z reshape the accounting industry with their distinct work culture preferences, career aspirations, and impactful influence, firms must evolve to attract and retain this dynamic workforce. Offering flexible, technology-driven environments, meaningful work, and opportunities for advancement and development are key. These generations herald a shift toward sustainability, ethical practice, and a collaborative workplace. Accounting firms adapting to these trends will thrive—ensuring a future where both the firm and its employees grow in tandem and fostering a culture of innovation and shared values.



October 2024

Key compliance dates

Wednesday, October 2

Semiweekly depositors deposit FICA and withheld income tax on wages paid on September 25-27.

Friday, October 4

Semiweekly depositors deposit FICA and withheld income tax on wages paid on September 28-30.

Semiweekly depositors deposit FICA and withheld income tax on wages paid on October 1.

Wednesday, October 9

Semiweekly depositors deposit FICA and withheld income tax on wages paid on October 2-4.

Thursday, October 10

Tipped employees who received \$20 or more in tips during September report them to the employer on Form 4070.

Friday, October 11

Semiweekly depositors deposit FICA and withheld income tax on wages paid on October 5-8.

Tuesday, October 15

Individuals: If you have an automatic 6-month extension to file your income tax return for 2024, file Form 1040 or Form 1040-SR and pay any tax, interest, and penalties due.

Corporations: File a 2024 calendar year income tax return (Form 1120) and pay any tax, interest, and penalties due. This due date applies only if you timely requested an automatic 6-month extension.

Social Security, Medicare, and withheld income tax: If the monthly deposit rule applies, deposit the tax for payments made in September.

Monthly depositors deposit FICA and withheld income tax for September.

Thursday, October 17

Semiweekly depositors deposit FICA and withheld income tax on wages paid on October 9-11.

Thursday, October 18

Semiweekly depositors deposit FICA and withheld income tax on wages paid on October 12-15.

Wednesday, October 23

Semiweekly depositors deposit FICA and withheld income tax on wages paid on October 16-18.

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Friday, October 25

Semiweekly depositors deposit FICA and withheld income tax on wages paid on October 19-22.

Wednesday, October 30

Semiweekly depositors deposit FICA and withheld income tax on wages paid on October 23-25.

Thursday, October 31

Employers file Form 941 for the third quarter of 2024 (if tax was deposited in full and on time, file by November 10).

Deposit FUTA tax owed through September if more than \$500.

To-do list

- Conduct year-end tax planning sessions with individual clients.
- Remind individual clients to use flexible spending account funds before year end unless plan provides post-year-end grace period or carryover.
- File returns for individual clients who obtained automatic 6-month extensions.
- Renew Preparer Tax Identification Number (PTIN) for 2024.

Maximizing value over volume: A strategic approach for accounting firms

In the realm of accounting, a shift toward serving fewer, more aligned clients offers a pathway to deeper engagement and enhanced value delivery. This model, emphasizing specialization and high-quality, tailored services, not only meets but exceeds client expectations. It fosters a nurturing environment for client loyalty and satisfaction, potentially leading to a lucrative cycle of higher fees for bespoke expertise and a stronger, more profitable client base. *Harvard Business Review* underscores this strategy's efficacy, noting that a mere 5% increase in customer retention can significantly amplify profits, highlighting the profound impact of dedicated client service on a firm's financial health.

The shift toward quality over quantity

In today's accounting field, meeting evolving client expectations requires firms to leverage technology and provide customized, strategic advisory services. Effective client management, powered by automation and a consultative approach, along with Client Advisory Services (CAS), is essential. These strategies enhance client satisfaction and loyalty by offering expert recommendations, utilizing technology for efficient operations, and maintaining proactive, year-round engagement. Adapting to these changing demands helps firms attract new clients, foster growth, and strengthen their market presence.

Shifting to a focused client service model enhances efficiency and client satisfaction, leading to greater profitability and loyalty through personalized services.

The benefits of focusing on fewer, higher-value clients include:

- Enhanced client satisfaction through more personalized and targeted services.
- Increased efficiency in client management, allowing for a deeper focus on individual client needs.
- Greater profitability by working with clients who recognize and are willing to pay for the firm's value.
- Reduced stress and workload for firm staff by managing a more manageable portfolio of clients.
- Improved client retention and loyalty due to the high level of service and attention provided.
- Expanded opportunity for the firm to become highly specialized in serving the specific needs of a particular client segment.

Advisory services: Moving beyond traditional accounting to offer strategic business advice

Expanding into advisory services allows accounting firms to offer more than just number-crunching, providing

strategic guidance on:

- Business growth strategies and planning.
- Financial forecasting and budgeting.
- Risk management and compliance advice.
- Operational efficiency improvements.
- Succession planning and business valuation.

Personalized client experiences: Creating customized service plans that address the unique challenges and opportunities of each client

Tailoring services to individual client needs significantly enhances their experience. This personalized approach involves:

- Understanding each client's unique challenges and opportunities.
- Crafting customized service plans tailored to these specifics.
- Ensuring services provided are directly aligned with client goals.
- Adopting flexible strategies to accommodate changing client needs.
- Leveraging technology and expertise to deliver bespoke solutions.

Lastly, [Intuit's Tax Pro Center](#) discusses the concept of "growing your practice by serving fewer clients." It highlights the advice of business strategist and CPA coach Geraldine Carter, who emphasizes the importance of focusing on quality over quantity. By letting go of the bottom 20% of clients, firms can free up resources to provide higher-value services to their best clients, thus enhancing profitability and simplifying their practice. This approach not only improves the firm's efficiency but also allows for more personalized and impactful services for the clients they choose to serve.

These insights underscore a growing trend among accounting firms to refine their client engagement strategies, focusing on delivering high-value, specialized services to a more targeted client base. This strategic shift requires not only a re-evaluation of client relationships but also an investment in technology and specialization to meet the unique needs of chosen market niches effectively.

Implementation plan

Steps to identify potential high-value clients within the current client base

In our strategy for refining client engagement, we emphasize identifying and transitioning toward serving high-value clients, ensuring both parties' needs and values are aligned. This approach includes:

Maximizing value over volume: A strategic approach for accounting firms (continued)

- Identifying non-ideal clients, such as those undervaluing services or not fully committed, and politely declining them to make space for more suitable, high-value clients.
- Utilizing discernment in client selection to avoid overextension and ensure engagement quality.
- Recognizing the firm's value and aligning with clients who appreciate and are willing to pay for it.
- Strategies for declining clients, including referrals to more fitting professionals, and positioning oneself as an expert to attract the right clientele.

Strategies for gradually transitioning to a more focused client service model

To navigate toward a more streamlined and focused client service model, implement strategic measures that ensure your services align perfectly with the needs of your ideal clients. These measures include:

- Evaluating current client base: Assess which clients align with your firm's expertise and long-term goals.
- Defining ideal client profile: Identify characteristics of your target clients to better align services.
- Enhancing service offerings: Focus on specialized services that offer higher value to your ideal clients.
- Implementing technology solutions: Utilize technology to streamline processes and improve service delivery for targeted clients.
- Training and development: Invest in training staff to excel in specialized services and understand the needs of your target market.
- Gradual transition plan: Develop a phased approach to reduce dependency on non-ideal clients while increasing engagement with targeted clients.
- Communication strategy: Effectively communicate the transition plan to both staff and clients to manage expectations.

Balancing short-term revenue impacts with long-term strategic gains

Navigating the delicate balance between immediate financial impacts and the pursuit of long-term strategic goals requires careful consideration in various areas. This involves understanding the firm's unique value to clients, investing in technology and staff development, leveraging market differentiation to attract premium clients, diversifying revenue streams to buffer short-term fluctuations, maintaining strong relationships with existing clients, and exploring strategic partnerships to expand service offerings and client base.

- Client value proposition: Understand the value the firm provides to its clients and how this aligns with long-term goals.
- Investment in technology and training: Assess the necessity of investing in new technologies and staff training to enhance service offerings.
- Market differentiation: Determine how a shift in focus can differentiate the firm in the marketplace and attract high-value clients.
- Revenue streams: Consider diversifying revenue streams to mitigate short-term losses.
- Client relationships: Evaluate the impact on existing client relationships and strategies for maintaining positive engagement.
- Strategic partnerships: Investigate forming strategic partnerships that can offer complementary services or refer high-value clients.

Conclusion

In the pursuit of excellence, accounting firms are increasingly recognizing the value of focusing on fewer clients to offer more tailored, high-quality services. This strategic shift enables firms to deepen client relationships, understand specific needs, and deliver exceptional value, thus distinguishing themselves in a competitive market. By adopting a consultative approach and leveraging technological advancements, firms can enhance operational efficiency, foster client loyalty, and drive sustainable growth.

This approach not only aligns with the evolving expectations of clients seeking personalized advisory services, but also positions firms to capitalize on niche markets by offering specialized expertise that commands premium fees.

As firms navigate this transition, they must address challenges such as client selection, service model adaptation, and market positioning to ensure a balanced approach to achieving long-term strategic gains while managing short-term revenue impacts. This comprehensive strategy underscores the importance of quality over quantity in the modern accounting landscape, promising a future where focused client service models lead to greater profitability and success.

November 2024

Key compliance dates

During November

Income tax withholding: Encourage employees to fill out a new Form W-4 or Form W-4(SP) if they experienced any personal or financial changes.

Friday, November 1

Semiweekly depositors deposit FICA and withheld income tax on wages paid on October 26-29.

Wednesday, November 6

Semiweekly depositors deposit FICA and withheld income tax on wages paid on October 30-November 1.

Friday, November 8

Semiweekly depositors deposit FICA and withheld income tax on wages paid on November 2-5.

Monday, November 11

Tipped employees who received \$20 or more in tips during October report them to the employer on Form 4070.

Social Security, Medicare, and withheld income tax: File Form 941 for the third quarter of 2024.

File Form 941 for the third quarter of 2024 if tax for the quarter was deposited in full and on time.

Thursday, November 14

Semiweekly depositors deposit FICA and withheld income tax on wages paid on November 6-8.

Friday, November 15

Social Security, Medicare, and withheld income tax: If the monthly deposit rule applies, deposit the tax for payments made in October.

Semiweekly depositors deposit FICA and withheld income tax on wages paid on November 9-12.

Monthly depositors deposit FICA and withheld income tax for October.

Wednesday, November 20

Semiweekly depositors deposit FICA and withheld income tax on wages paid on November 13-15.

Friday, November 22

Semiweekly depositors deposit FICA and withheld income tax on wages paid on November 16-19.

Wednesday, November 27

Semiweekly depositors deposit FICA and withheld income tax on wages paid on November 20-22.

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To-do list

- Remind individual clients whose withholding status will change in 2024 to submit new W-4 forms to their employers.
- Remind individual clients who may have underpaid estimated taxes to increase withholding from salary and wages to make up for shortfall.
- Renew PTIN.
- Register online to use IRS e-services. Preparers who anticipate filing 11 or more 1040, 1040A, 1040EZ, and 1041 returns during the year must file electronically.
- Set up tax preparation software and test e-filing. Download IRS e-file logo and order IRS e-file marketing materials. See the EFTPS Tool Kit.

Navigating year-end tax planning: A guide for businesses

Businesses face the crucial task of year-end tax planning, a strategic endeavor that can significantly influence financial outcomes. Amid evolving tax laws and incentives, understanding available options and compliance requirements is key. This guide highlights essential considerations for businesses.

Retirement plans boost for small businesses

SECURE 2.0 Act enriches incentives for smaller employers to establish retirement plans. From 2023, businesses with 50 or fewer employees can claim 100% of startup costs, coupled with an additional credit for contributions during a plan's first five years, fostering a culture of savings and financial security among the workforce.

Employee Retention Credits (ERC) still in play

Although the employment period eligible for the ERC has ended, businesses can still retroactively claim this credit for wages paid during the pandemic until statutory deadlines in 2024 and 2025. Given the complexity and evolving criteria for eligibility, consulting with a tax professional is advisable, especially in light of recent IRS actions to curb fraudulent claims.

Capitalize on depreciation opportunities

The generous depreciation and expensing limits set by the Tax Cuts and Jobs Act remain beneficial. With the investment limit at \$2,890,000 and a dollar limitation of \$1,160,000 for 2023, businesses are encouraged to invest in machinery and equipment and take advantage of Section 179 depreciation, which allows for a full write-off of eligible assets. Additionally, Section 168(k) Bonus Depreciation, which provides for accelerated depreciation, is also available.

Accelerating depreciation and making purchases

Utilizing Section 179 and Bonus Depreciation allows businesses to write off purchases of equipment and vehicles swiftly. Planning purchases to align with these provisions can reduce taxable income substantially.

Clean commercial vehicles credit

The Inflation Reduction Act introduces an up to \$7,500 credit for purchasing clean commercial vehicles post-2022, aligning business investments with environmental sustainability and potentially yielding significant tax savings.

Strategic timing of income and deductions

Businesses, especially those using the cash accounting method, can influence their tax liability through the timing of income and deductions. Deferring income to future periods with expected lower tax rates, or accelerating

deductions into the current year, can optimize tax outcomes.

Capturing all business deductions

Ensuring all eligible deductions are claimed, including often-overlooked ones like home office expenses, is crucial. Implementing an accountable plan can aid in maintaining proper records and maximizing deductions for employee reimbursements.

Leveraging tax credits

A myriad of tax credits, from small business health insurance premiums, work opportunity tax credits, and research and development credits, are available. Tax advisors should be proactively looking to add value to their clients to reduce tax liabilities effectively.

Adapting to new tax legislation

The Inflation Reduction Act's introduction of a 15% alternative minimum tax for large corporations and a 1% excise tax on certain stock repurchases necessitates careful planning. Understanding these new laws is vital for compliance and strategic financial planning. Businesses are urged to review their tax strategies so they can leverage available credits and deductions while preparing for upcoming legislative changes. Consulting with tax professionals can provide tailored advice, ensuring businesses not only comply with current regulations but also position themselves advantageously for the future.

Call to action

Year-end tax planning is more than a compliance exercise; it's a strategic opportunity to strengthen your business's financial health. To ensure no opportunity is left on the table, it's imperative to start implementing these strategies well before year end.



December 2024

Key compliance dates

Employees whose withholding status will change in 2024 should submit a new Form W-4 to the employer. The new form should be submitted as early as possible to guarantee implementation of the withholding change in January.

Monday, December 2

Semiweekly depositors deposit FICA and withheld income tax on wages paid on November 23-26.

Wednesday, December 4

Semiweekly depositors deposit FICA and withheld income tax on wages paid on November 27-29.

Friday, December 6

Semiweekly depositors deposit FICA and withheld income tax on wages paid on November 30-December 3.

Monday, December 9

Semiweekly depositors deposit FICA and withheld income tax on wages paid on December 4-6.

Tuesday, December 10

Tipped employees who received \$20 or more in tips during November report them to the employer on Form 4070.

Friday, December 13

Semiweekly depositors deposit FICA and withheld income tax on wages paid on December 7-10.

Monday, December 16

Monthly depositors deposit FICA and withheld income tax for November.

Corporations: Deposit the fourth installment of estimated income tax for 2024. A worksheet, Form 1120-W, is available to help you estimate your tax for the year.

Social Security, Medicare, and withheld income tax: If the monthly deposit rule applies, deposit the tax for payments made in November.

Wednesday, December 18

Semiweekly depositors deposit FICA and withheld income tax on wages paid on December 11-13.

Friday, December 20

Semiweekly depositors deposit FICA and withheld income tax on wages paid on December 14-17.

Thursday, December 26

Semiweekly depositors deposit FICA and withheld income tax on wages paid on December 18-20.

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Monday, December 30

Semiweekly depositors deposit FICA and withheld income tax on wages paid on December 21-24.

To-do list

- Establish tax return preparation procedures.
- Develop tax preparation docket sheet.
- Analyze tax season staffing needs.
- Prepare tax season work assignments.
- Prepare tax preparation packets for clients.
- Review new tax developments.
- Remind individual clients of January due date for final 2024 estimated tax payment.
- Remind business clients of January 31 due date for filing forms W-2 and 1099-MISC for 2024.

Trends and changes for best practices in your practice

Traditional bookkeeping faces significant challenges, primarily due to its reliance on manual data entry and paper-based processes, which are both time-consuming and prone to human error. This method often results in inefficiencies, such as delayed financial reporting and difficulty in tracking financial transactions accurately. Additionally, the lack of real-time data access impedes timely decision-making and can lead to missed opportunities for financial optimization and growth.

Technology assists in streamlining bookkeeping by:

- Streamlining research and operations
- Proactively engaging clients
- Enhancing client interactions
- Optimizing firm management
- Improving compliance and fraud detection
- Supporting data-based decisions
- Increasing productivity

Utilizing outsourced staffing effectively

Embracing outsourcing allows businesses to significantly reduce overhead and costs associated with workforce management, such as insurance and healthcare, by leveraging global talent pools for non-core activities. The key to effective outsourcing involves a clear understanding of the objectives behind the decision to outsource, along with precise project specifications and expectations. Platforms like Upwork, Fiverr, Toptal, Behance, and LinkedIn serve as excellent resources for finding skilled freelancers tailored to specific needs. Intuit Select Pro Staffing allows you to outsource work to tax experts based abroad or in the U.S. Tools such as Slack and Zoom enhance communication and collaboration, ensuring seamless integration of outsourced staff. When selecting an outsourcing platform, important considerations include the quality and availability of talent, specialization in certain industries, the balance between local and global job opportunities, client compatibility, trustworthiness, payment security, service fees, and the overall user experience of the platform. This strategic approach to outsourcing, supported by the right technological tools, enables businesses to efficiently extend their capabilities and focus on core operations.

Effective collaboration with outsourced teams hinges on adhering to best practices in communication, security, and project management. Clear and continuous communication is essential for aligning goals, setting expectations, and ensuring that all team members, regardless of their location, are on the same page.

Implementing robust security measures is critical to protect sensitive data and maintain client trust, especially when working with remote teams who access company networks from various locations. Lastly, proficient project management involves using the right tools and methodologies to track progress, manage tasks, and meet deadlines efficiently. Together, these practices ensure that outsourced teams contribute positively to the organization's objectives while minimizing risks and maximizing productivity.

The best practices are as follows:

- Ensure regular communication
- Manage expectations
- Define project milestones
- Use project management software
- Communicate effectively
- Document everything
- Help outsourced parties understand your business
- Monitor performance
- Outsource the right functions
- Secure your data
- Use video conferencing

Implementing technological solutions: Steps to success

Successfully leveraging technology in accounting firms involves a three-step strategic process:

1. Evaluating existing workflows to pinpoint inefficiencies and technological gaps.
2. Meticulously researching and selecting technologies that not only fit current needs but also offer scalability and compliance for future expansion.
3. Crafting a detailed plan for technology integration that encompasses staff training and continuous system evaluation.

This approach emphasizes the significance of choosing suitable technologies, ensuring they align with the firm's goals, and the critical role of ongoing staff training and system optimization. By committing to this process, firms can achieve marked improvements in operational efficiency, accuracy, and client satisfaction, underpinned by a culture that embraces innovation and adaptability.

In conclusion, the potential impact of technology and outsourcing on streamlining your practice is immense. By adopting these strategies, firms can not only improve their operational efficiency and accuracy, but also provide superior client service.

January 2025

Key compliance dates

Thursday, January 2

Semiweekly depositors deposit FICA and withheld income tax on wages paid on December 25-27.

Monday, January 6

Semiweekly depositors deposit FICA and withheld income tax on wages paid on December 28-31.

Wednesday, January 8

Semiweekly depositors deposit FICA and withheld income tax on wages paid on January 1-3.

Friday, January 10

Semiweekly depositors deposit FICA and withheld income tax on wages paid on January 4-7.

Tipped employees who received \$20 or more in tips during December report them to their employers on Form 4070.

Tuesday, January 14

Individuals pay final installment of 2024 estimated tax.

Wednesday, January 15

Semiweekly depositors deposit FICA and withheld income tax on wages paid on January 8-10.

Individuals: Make a payment of your estimated tax for 2024 if you didn't pay your income tax for the year through withholding (or didn't pay in enough tax that way). Use Form 1040-ES. This is the final installment date for 2024 estimated tax payments. However, you don't have to make this payment if you file your 2024 return (Form 1040 or Form 1040-SR) and pay any tax due by January 31, 2025.

Social Security, Medicare, and withheld income tax: If the monthly deposit rule applies, deposit the tax for payments made in December 2024.

Monthly depositors deposit FICA and withheld income tax for December.

Friday, January 17

Semiweekly depositors deposit FICA and withheld income tax on wages paid on January 11-14.

Thursday, January 23

Semiweekly depositors deposit FICA and withheld income tax on wages paid on January 15-17.

Friday, January 24

Semiweekly depositors deposit FICA and withheld income tax on wages paid on January 18-21.

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Wednesday, January 29

Semiweekly depositors deposit FICA and withheld income tax on wages paid on January 22-24.

Friday, January 31

Semiweekly depositors deposit FICA and withheld income tax on wages paid on January 25-28.

Employers file Form 941 for the fourth quarter of 2024 (if tax deposited in full and on time, file by February 10).

Qualifying small employers file annual Form 944 for 2024 (in lieu of quarterly Form 941s).

Employers file Form 940 for 2024 (if tax was deposited in full and on time, file by February 10).

Furnish copies of Form W-2 for 2024 to employees and file Copy A with the Social Security Administration (SSA).

Furnish Form 1099-NEC information returns for 2024 to payees of nonemployee compensation and file returns with the IRS.

File Form 945 for 2024 to report income tax withheld on non-payroll items.

All employers: Give your employees their copies of Form W-2 for 2024. If an employee agreed to receive Form W-2 electronically, have it posted on a website and notify the employee of the posting.

Payers of nonemployee compensation: File Form 1099-NEC for nonemployee compensation paid in 2024.

All businesses: Give annual information statements to recipients of certain payments you made during 2024.

January 2025

Key compliance dates

Social Security, Medicare, and withheld income tax: File Form 941 for the fourth quarter of 2024.

To-do list

- Send reminders to individual clients who have not returned tax preparation packets or scheduled appointments.
- Review pros and cons of S corporation election with eligible corporate clients.
- Remind partnerships of March 15 return filing deadline.

The strategic edge of niche specialization in accounting

In the dynamic realm of tax and accounting, zeroing in on a niche is not just a strategic move—it's a game-changer. Embracing a niche transcends traditional accounting practices, allowing firms to become vanguards in specific verticals or segments. This specialization not only enhances the firm's reputation as an industry expert but also significantly boosts growth potential by delivering unmatched value and tailored business advice.

Understanding the power of niche focus

- **Sharper marketing:** A niche narrows your target audience, making it easier to identify potential clients and tailor your marketing efforts directly to them.
- **Enhanced expertise:** Specializing in a niche streamlines your operations, deepens your expertise, and simplifies service delivery.
- **Increased client conversions:** Expertise in a specific niche naturally attracts clients within that sector, improving your conversion rate.
- **Boosted referrals:** Clear specialization makes it easier for clients to understand and share what you do, increasing referrals.
- **Premium pricing capability:** Specialized services in less competitive niches allow for higher pricing due to the custom, sought-after expertise you offer.

Selecting the right niche: A step-by-step approach

- **Discover your niche naturally:** Look for patterns within your existing client base that might suggest a lucrative niche.
- **Align with your passions:** Choose a niche that excites you and matches your team's expertise for sustainable success.
- **Evaluate market demand:** Ensure your chosen niche is growing and has a demand that justifies your specialized focus.
- **Assess clients' willingness to pay:** Confirm that your niche clients value specialized services and are willing to invest in them.

Why niching down makes sense: Analogies and real-world success

- **The specialist advantage:** Just as medical specialists command higher fees than general practitioners, accounting specialists can leverage their focused expertise for higher profitability.
- **Internet and marketing synergy:** Utilizing the internet for targeted marketing can draw clients from beyond your local area, enhancing your firm's reach and appeal.

Conclusion

Adopting a niche strategy elevates your accounting practice by ensuring you're not just another firm in the crowd but a distinguished expert in a specific field. This approach guarantees a deeper understanding of your clients' unique needs, enabling you to offer bespoke solutions that truly resonate. By thoughtfully selecting and nurturing your niche, your firm can enjoy sustained growth, heightened client loyalty, and a robust competitive edge.



February 2025

Key compliance dates

Wednesday, February 5

Semiweekly depositors deposit FICA and withheld income tax on wages paid on January 29-31.

Friday, February 7

Semiweekly depositors deposit FICA and withheld income tax on wages paid on February 1-4.

Monday, February 10

Employers file Form 941 for the fourth quarter of 2024 if tax for the quarter was deposited in full and on time.

Employers file Form 940 for 2024 if tax for the year was deposited in full and on time.

Tipped employees who received \$20 or more in tips during January report them to the employer on Form 4070.

Wednesday, February 12

Semiweekly depositors deposit FICA and withheld income tax on wages paid on February 5-7.

Friday, February 14

Semiweekly depositors deposit FICA and withheld income tax on wages paid on February 8-11.

Monday, February 17

Monthly depositors deposit FICA and withheld income tax for January.

Wednesday, February 19

Semiweekly depositors deposit FICA and withheld income tax on wages paid on February 12-14.

Friday, February 21

Semiweekly depositors deposit FICA and withheld income tax on wages paid on February 15-18.

Wednesday, February 26

Semiweekly depositors deposit FICA and withheld income tax on wages paid on February 19-21.

Friday, February 28

Semiweekly depositors deposit FICA and withheld income tax on wages paid on February 22-25.

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To-do list

- Send reminders to individual clients who have not returned tax preparation packets or scheduled appointments.
- Review pros and cons of S corporation election with eligible corporate clients.
- Remind partnerships of March 15 return filing deadline.

Revolutionizing accounting: Embracing subscription models and value pricing

In the evolving landscape of accounting, the shift toward subscription models and value pricing marks a transformative approach. This model, increasingly favored by firms for its emphasis on continuous service over hourly billing, aligns perfectly with the modern client's preference for predictable costs and personalized services. It not only fosters a more proactive and advisory client relationship but also ensures firms enjoy consistent revenue streams and deeper client connections, truly reflecting the inherent value of the services provided.

Understanding subscription models and value pricing

In the realm of holistic accounting services, the subscription model and value pricing signify a pivotal shift away from conventional hourly billing toward a structure that emphasizes the intrinsic value delivered to clients. This approach champions the provision of continuous accounting services for a regular fee, ensuring clients benefit from predictable costs and tailored advisory relationships. It marks a transition toward fostering deeper, value-focused client engagements, allowing firms to better reflect the true worth of their services and expertise in a more client-centric manner.

Benefits for firms and clients

Shifting to subscription models and value pricing, experts advocate for pricing based on client-perceived value rather than hourly billing, emphasizing relationships over services. This approach, focusing on delivering continuous innovation and superior customer experiences, aims to enhance client satisfaction, retention, and firm profitability. It proposes the importance of offering multiple pricing options tailored to various client needs, encouraging firms to sell access to knowledge and foster long-term partnerships through periodic payments for ever-increasing value and transformations.

Key metrics for success

In the subscription-based economy for accounting firms, KarbonHQ highlights the significance of three key metrics:

- Customer Acquisition Cost (CAC): Measures the cost to acquire a new client, vital for budgeting and marketing strategies.
- Monthly Recurring Revenue (MRR): Provides a snapshot of steady income, crucial for financial forecasting and stability.
- Customer Lifetime Value (CLV): Estimates the total revenue a firm can expect from a single client, emphasizing the importance of nurturing long-term relationships for business growth.

Challenges and solutions

Adapting to subscription and value pricing models comes with its own set of challenges, including hesitations from clients and the necessity for firms to adjust internally. To navigate these obstacles, it's crucial to prioritize accurate pricing strategies that enhance profitability, correct common errors such as underpricing, and introduce a variety of pricing options. Employing value-based pricing that leans on the perceived value to the client, coupled with comprehensive planning and educating clients, aids in this transformation. Furthermore, incorporating technology and centering on the client experience are key strategies to facilitate this change, leading to improved scalability, transparency, and service differentiation.

Implementing a subscription model

For professional firms, adopting a subscription model means transitioning from time-based billing to an emphasis on the value provided. Experts stress the significance of agreements that capture the client's perceived value and advise firms to focus on relationship pricing to boost client loyalty and the value of their lifetime relationship. Ensuring effective communication, presenting various pricing strategies, and actively involving clients in the process help mitigate pricing challenges and bolster profitability. This approach demands detailed planning and education for both clients and staff, which promote ongoing innovation and enhanced customer experiences.

Conclusion

As professionals in the legal and accounting sectors have discovered, shifting toward subscription-based models effectively eliminates surprises and client dissatisfaction by providing diverse services at a consistent fee, thereby cultivating stronger client bonds. Stressing the importance of metrics such as CAC, MRR, and CLV, these models advocate for enduring partnerships over episodic interactions, striving to expand client base, boost revenue, and improve service clarity. Although moving away from traditional billing presents hurdles, the advantages of a predictable, scalable, and client-focused approach will aid your practice in selling results, not time.

March 2025

Key compliance dates

Monday, March 3

Farmers and fishermen: File your 2024 income tax return (Form 1040 or Form 1040-SR) and pay any tax due. However, you have until April 15 to file if you paid your 2024 estimated tax by January 18, 2025.

Wednesday, March 5

Semiweekly depositors deposit FICA and withheld income tax on wages paid on February 26-28.

Friday, March 7

Semiweekly depositors deposit FICA and withheld income tax on wages paid on March 1-4.

Monday, March 10

Tipped employees who received \$20 or more in tips during February report them to the employer on Form 4070.

Wednesday, March 12

Semiweekly depositors deposit FICA and withheld income tax on wages paid on March 5-7.

Friday, March 14

Semiweekly depositors deposit FICA and withheld income tax for March 8-11.

Monday, March 17

Calendar-year S corporations file 2024 income tax return on Form 1120S; alternatively, file for an automatic 6-month extension (Form 7004).

Calendar-year partnerships file 2024 information return (Form 1065); alternatively, file for an automatic 6-month extension (Form 7004).

Monthly depositors deposit FICA and withheld income tax for February.

Wednesday, March 19

Semiweekly depositors deposit FICA and withheld income tax on wages paid on March 12-14.

Partnerships: File a 2024 calendar-year return (Form 1065). Provide each partner with a copy of their Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc., or substitute Schedule K-1 (Form 1065) and, if applicable, Schedule K-3 (Form 1065) or substitute Schedule K-3 (Form 1065).

To request an automatic 6-month extension of time to file the return, file Form 7004. Then, file the return and provide each partner with a copy of their final or amended (if required) Schedule K-1 (Form 1065) and, if applicable,

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Schedule K-3 (Form 1065) by September 15.

S corporations: File a 2024 calendar-year income tax return (Form 1120-S) and pay any tax due. Provide each shareholder with a copy of their Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc., or substitute Schedule K-1 (Form 1120-S) and, if applicable, Schedule K-3 (Form 1120-S) or substitute Schedule K-3 (Form 1120-S).

Friday, March 21

Semiweekly depositors deposit FICA and withheld income tax on wages paid on March 15-18.

Wednesday, March 26

Semiweekly depositors deposit FICA and withheld income tax on wages paid on March 19-21.

Friday, March 28

Semiweekly depositors deposit FICA and withheld income tax on wages paid on March 22-25.

To-do list

- File extensions for individuals who have not met deadline for return preparation.
- Remind individual clients of April 15 estimated tax payment.
- File extensions for S corporations or partnerships that will not meet the March 15 filing deadline.

Navigating the 2024 estate tax law changes

In the ever-evolving landscape of U.S. tax law, estate planning remains a pivotal area of focus for individuals and families aiming to manage and preserve their wealth for future generations. Currently, the United States imposes an estate tax that affects the distribution of an individual's assets upon their death, including real estate, investments, and other financial assets, after accounting for debts and applicable exemptions. This tax framework plays a significant role in shaping the strategies employed in estate planning, as it determines the portion of an individual's estate that can be transferred to heirs without incurring taxes. As we approach January 1, 2025, significant changes loom on the horizon, marking a critical moment for estate planning. With adjustments to exemption thresholds and tax rates, these impending changes underscore the importance of staying informed and proactive in estate planning endeavors to optimize the legacy one intends to leave behind.

Background on estate tax laws

The federal estate tax, colloquially known as the "death tax," plays a pivotal role in the United States tax system by levying taxes on the inherited assets of a deceased person. As of 2024, this tax applies to estates exceeding \$13.61 million in value, with tax rates ranging from 18% to 40%. This significant exemption threshold means that the vast majority of estates are exempt from paying any estate tax at all. In addition to the federal estate tax, thirteen states impose their own estate taxes, with varying exemption thresholds, further complicating estate planning for residents within those jurisdictions.

The federal estate tax is calculated based on the fair market value of the deceased's assets at the time of their death, rather than their original purchase value. This includes a wide range of assets such as stocks, cash, and real estate, among others. Importantly, assets passed to a surviving spouse are generally exempt from this tax due to the unlimited marital deduction, providing a significant tax relief for married couples. This exemption is per person, allowing married couples to effectively double the exemption amount and further minimize their estate tax liabilities. Understanding these rules and planning accordingly can significantly impact the amount of wealth transferred to the next generation, highlighting the importance of being well-informed about the intricacies of estate tax laws as we approach potential changes in the regulatory landscape.

Since the last update to the U.S. estate tax laws in 2010, significant changes have been made, particularly with the doubling of the exemption amount in 2018 to \$11.18 million per individual, adjusted for inflation, resulting in a \$12.92 million exemption per person as of 2023. This

adjustment allows married couples to pass nearly \$26 million to their heirs without incurring the 40% estate tax. However, these increased exemption amounts are set to expire at the end of 2025, reverting to the pre-2018 level of approximately \$5 million per person, adjusted for inflation, estimated to be about \$7 million in 2026.

This reversion implies that estates valued at around \$13 million, which are currently exempt from estate taxes, will face a significant tax burden in 2026 unless Congress intervenes. The IRS's annual adjustments, including the increase in the gift tax exemption to \$18,000 in 2024 from \$17,000 in 2023, reflect these legislative changes. As the expiration date of these provisions approaches, strategic estate planning becomes increasingly vital for individuals and couples to maximize their use of the exemptions and minimize their tax liabilities, highlighting the importance of proactive adjustments to estate planning strategies in anticipation of these changes.

Changes effective from January 1, 2024

As the landscape of U.S. estate tax laws evolves, individuals and families with significant assets are facing pivotal changes starting in 2024. The exemption amount, which rose to \$12.92 million per individual in 2023, is slated to increase further to \$13.61 million in 2024, allowing couples to shield up to \$27.22 million from the 40% federal estate tax. However, this opportunity is fleeting, as the Tax Cuts and Jobs Act mandates these exemptions to revert to an estimated \$7 million per person, adjusted for inflation, by the end of 2025.

This anticipated reduction underscores the need for urgent and strategic estate planning. Key strategies include maximizing the current exemptions through gifts or trusts, taking advantage of valuation discounts, and employing life insurance to manage tax exposure effectively.

Additionally, with the IRS adjusting the gift tax annual exclusion to \$18,000 in 2024 and increasing scrutiny on high-income taxpayers, the complexity of estate planning continues to grow. As legislative changes loom post-2024, consulting with estate planning professionals to devise adaptable strategies becomes critical for those aiming to optimize their estate and tax planning in light of the upcoming sunset provisions.

Strategies for estate planning post-2024

As the U.S. estate tax landscape faces significant changes with the expected expiration of the current tax laws post-2024, individuals and families with substantial assets are encouraged to proactively strategize to navigate the evolving tax environment. The imminent reduction of

Navigating the 2024 estate tax law changes (continued)

exemption amounts from the generous current levels—\$13.61 million for individuals and \$27.22 million for married couples—to potentially around \$7 million per individual post-2025, underscores the urgency of utilizing the available exemptions through direct gifts or irrevocable trusts, thus safeguarding future asset growth from estate taxes.

Employing strategies like valuation discounts on illiquid assets and incorporating life insurance into estate planning are essential for covering potential estate tax liabilities efficiently. The flexibility offered by estate planning instruments, such as Spousal Lifetime Access Trusts (SLATs) and Credit Shelter Trusts (CSTs), allows for adapting to both personal and regulatory changes, ensuring the preservation of wealth for future generations. Regular engagement with professional advisors to revisit and adjust estate plans, especially in light of the approaching 2025 sunset of increased exemptions, is crucial. This proactive planning and consultation are indispensable for individuals aiming to optimize their estate planning strategies, tailor them to their specific circumstances, and secure a lasting legacy amidst the anticipated tax law changes.

Impact on high-net-worth individuals and families

The impending changes to the U.S. estate tax laws present a critical juncture for high-net-worth individuals and families, who stand to face increased tax liabilities on their estates without proactive planning. With the current exemptions set to potentially revert to about \$6.5 million per person—or roughly \$13 million per married couple—by 2026, a broader spectrum of estates, including those owning multiple homes, boats, or significant retirement and investment portfolios, could be significantly affected.

This scenario underscores the importance of exploring estate planning strategies now—such as charitable giving, establishing trusts, and leveraging generation-skipping transfer (GST) exemptions—to mitigate future tax impacts. The IRS's heightened scrutiny on high-income taxpayer compliance and new opportunities, like the transfer of renewable energy credits, further emphasize the need for timely action. In light of these changes, leveraging the current "window of opportunity" for estate and tax planning becomes paramount to preserving intergenerational wealth and minimizing future tax burdens.

In anticipation of the significant changes to U.S. estate tax laws post-2024, individuals and families with considerable assets are advised to proactively engage in strategic estate planning to mitigate potential tax impacts. With the current exemption amounts set to decrease after 2025,

leveraging the temporary increase for asset transfers through direct gifting or trusts becomes essential to maximize current benefits and shield future asset growth from taxation.

Employing valuation discounts on illiquid assets and integrating life insurance into estate plans offer additional avenues to enhance tax efficiency and secure wealth for future generations. Strategies such as Spousal Lifetime Access Trusts (SLATs), Family Limited Partnerships (FLPs), and Irrevocable Life Insurance Trusts (ILITs) not only facilitate wealth transfer with potential tax benefits but also ensure continued access to funds and control over asset distribution.

Given the complexity of these strategies and the evolving tax landscape, consulting with estate planning professionals is crucial to tailor plans to individual needs, ensuring a well-prepared estate for the changing exemption limits. Additionally, new tax credit opportunities, like those enabled by Internal Revenue Code Section 6418 for energy tax credits, and increased IRS scrutiny on wealthy taxpayers highlight the importance of comprehensive and forward-looking estate planning to leverage available exemptions and credits effectively before the anticipated changes take effect.

Legislative outlook and potential further changes

As the U.S. estate tax exemption amounts are set for a significant reduction after 2025, individuals and families with substantial assets face a pivotal moment in estate planning. The Tax Cuts and Jobs Act of 2017, which notably increased the lifetime estate tax exemption, is slated to sunset on January 1, 2026, potentially halving the current exemption amounts to about \$7 million per individual, adjusted for inflation. This impending change emphasizes the need for strategic planning to utilize the current, higher exemptions for asset transfers, employing vehicles like trusts and maximizing gift tax exemptions.

The legislative landscape may shift, especially following the 2024 elections, with the potential for a new Congress to amend or extend the existing provisions. Additionally, the IRS's heightened focus on high-income taxpayer compliance and new tax planning opportunities, such as monetizing certain energy tax credits under IRC Section 6418, highlight the evolving taxation climate. These changes underscore the importance of proactive, strategic planning with professional advisors to navigate the potential tax implications and leverage opportunities for estate and tax planning, including new avenues for tax credit utilization and compliance with shifting IRS priorities.

Navigating the 2024 estate tax law changes (continued)

Conclusion

In the shifting sands of U.S. estate tax law, 2024 signals a crucial period for diligent estate planning, especially for high-net-worth individuals and families. With current exemptions set to contract post-2025, proactive strategies are essential to safeguard intergenerational wealth. This momentous shift underscores the urgency of leveraging current exemptions through strategic gifting and trusts, employing valuation discounts, and integrating life insurance to mitigate future tax exposures.

As the legislative and taxation landscape evolves, particularly with the potential for changes following the 2024 elections and new IRS focuses, staying ahead with adaptable estate planning becomes paramount. Regular consultation with estate planning professionals is indispensable, ensuring strategies are fine-tuned to the individual's circumstances and the forthcoming legal adjustments. As we navigate these changes, the emphasis on informed, strategic estate planning cannot be overstated. Now is the time to act, to ensure that the legacies we intend to leave are preserved and protected against the tide of changing tax laws.

For tailored advice and to stay abreast of the latest in estate planning strategies, reaching out to estate planning experts and subscribing to relevant updates is a proactive step toward helping your clients secure their legacy they leave behind.



April 2025

Key compliance dates

Wednesday, April 2

Semiweekly depositors deposit FICA and withheld income tax on wages paid on March 26-28.

Friday, April 4

Semiweekly depositors deposit FICA and withheld income tax on wages paid on March 29-April 1.

Wednesday, April 9

Semiweekly depositors deposit FICA and withheld income tax on wages paid on April 2-4.

Thursday, April 10

Tipped employees who received \$20 or more in tips during March report them to the employer on Form 4070.

Friday, April 11

Semiweekly depositors deposit FICA and withheld income tax on wages paid on April 5-8.

Tuesday, April 15

Individuals: File 2024 returns (Form 1040 or Form 1040-SR) and pay any tax due; alternatively, file for an automatic 6-month extension (Form 4868) and pay what you estimate you owe in tax to avoid penalties and interest.

Calendar-year C corporations file 2024 returns on Form 1120; alternatively, file for an automatic 6-month extension (Form 7004).

Corporations: File a 2024 calendar-year income tax return (Form 1120) and pay any tax due. If you want an automatic 6-month extension of time to file the return, file Form 7004 and deposit what you estimate you owe in taxes. Deposit the first installment of estimated income tax for 2025.

Individuals and calendar-year corporations pay first installment of 2025 estimated tax.

Monthly depositors deposit FICA and withheld income tax for March.

If you're not paying your 2025 income tax through withholding (or won't pay in enough tax during the year that way), pay the first installment of your 2025 estimated tax. Use Form 1040-ES.

Social Security, Medicare, and withheld income tax: If the monthly deposit rule applies, deposit the tax for payments made in March.

Household employers: If you paid cash wages of \$2,300 or more in 2024 to a household employee, you must file Schedule H (Form 1040).

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Wednesday, April 16

Semiweekly depositors deposit FICA and withheld income tax on wages paid on April 9-11.

Friday, April 18

Semiweekly depositors deposit FICA and withheld income tax on wages paid on April 12-15.

Wednesday, April 23

Semiweekly depositors deposit FICA and withheld income tax on wages paid on April 16-18.

Friday, April 25

Semiweekly depositors deposit FICA and withheld income tax on wages paid on April 19-22.

Wednesday, April 30

Semiweekly depositors deposit FICA and withheld income tax on wages paid on April 23-25.

To-do list

- File extensions for individual clients who will not meet the April 15 filing deadline.
- Conduct reviews of clients' prior year returns to determine need for amended returns.
- File extensions for corporate clients that will not meet the April 15 filing deadline.

Trends and changes—combining bookkeeping and tax compliance for a holistic touch for small businesses

Small businesses often face financial management challenges such as limited resources, making cash flow management difficult. Navigating complex tax laws for compliance and effective tax planning requires expertise they may lack. Additionally, they frequently need help accessing financing due to limited credit history or collateral. Another significant challenge is maintaining accurate and timely financial records, which is essential for informed decision-making and long-term strategic planning. These issues underscore the need for efficient financial management practices in small businesses.

“Holistic accounting” is an approach that integrates all aspects of an individual's financial life, including income, expenses, investments, and personal goals, while aligning with their values and beliefs. This method is particularly beneficial for wellness industry employees who may face unique financial challenges like irregular income or managing multiple income streams. It involves understanding individual goals and values, creating a personalized and comprehensive financial plan, and regularly updating this plan to reflect changes in circumstances or objectives. This approach empowers individuals to make confident financial decisions aligned with their aspirations and values.

Core benefits of an integrated approach

Financial clarity and strategic tax planning

Combining bookkeeping and tax services enhances financial decision-making and tax optimization in several ways. First, it ensures consistency and accuracy in financial records, which is crucial for reliable tax reporting and planning. Integrated services provide a comprehensive view of financial health, aiding in identifying tax-saving opportunities and strategic financial decisions. This approach also simplifies financial management, as it aligns day-to-day bookkeeping with long-term tax implications, resulting in more efficient and effective financial operations. Additionally, it facilitates proactive tax planning, utilizing real-time financial insights for optimal tax strategies.

Efficiency, accuracy, and compliance

An integrated approach to bookkeeping and tax services saves time by streamlining financial processes, enabling efficient management of financial records and tax obligations simultaneously. This approach ensures accuracy in financial data, as consistent tracking and management of transactions provide reliable information for tax reporting. Additionally, it aids in maintaining compliance with tax laws, as regular and accurate

bookkeeping facilitates adherence to the latest tax regulations and deadlines, reducing the risk of errors and penalties associated with tax filing. This integration simplifies financial management and enhances regulatory compliance for businesses.

Becoming the holistic service provider for your clients

With the ever-changing landscape of bookkeeping and taxes, potential clients are looking for key characteristics in their future service provider. Some of these considerations include:

- **Expertise and qualifications:** Clients will look for providers with the necessary qualifications and a strong track record in both bookkeeping and tax services.
- **Experience in your industry:** Look to become a provider with experience in your specific industry, as you will be more familiar with the unique financial challenges and opportunities they face.
- **Integrated services:** Ensure that you offer truly integrated bookkeeping and tax services for streamlined financial management.
- **Customization and personalization:** Provide a bespoke approach to your specific client to tailor your services to fit their specific needs and goals.
- **Communication and accessibility:** Clients are not only looking for expertise, but for their provider to have the capacity to communicate with them.
- **Technology and tools:** As technology advances, consider upgrading your technology to streamline your processes to create efficient and accurate financial management for your clients.
- **Reputation and reviews:** The greatest marketing resource for your practice is your current clients. If you provide results that yield great customer satisfaction, your growth will be a byproduct of your service.

Tailored advice and personalized services are crucial in a holistic approach to finances like bookkeeping and taxes because they ensure that the financial strategies are specifically aligned with the individual needs, goals, and circumstances of each client. This personalized approach allows for more effective financial planning and decision-making, as it takes into account the unique aspects of each client's financial situation. It leads to more accurate, efficient, and relevant financial management, directly contributing to the client's overall financial success and satisfaction.

Trends and changes—combining bookkeeping and tax compliance for a holistic touch for small businesses (continued)

Conclusion

In summary, a holistic approach to bookkeeping and tax services is a game-changer for small businesses. It not only brings clarity and strategic insight into financial management but also ensures compliance and maximizes tax efficiency. By becoming that service provider for your clients—one who offers tailored, personalized services—businesses can align their financial strategies with their unique goals and challenges, and your practice will grow.



May 2025

Key compliance dates

Friday, May 2

Semiweekly depositors deposit FICA and withheld income tax on wages paid on April 26-29.

Wednesday, May 7

Semiweekly depositors deposit FICA and withheld income tax on wages paid on April 30-May 2.

Friday, May 9

Semiweekly depositors deposit FICA and withheld income tax on wages paid on May 3-6.

Monday, May 12

Tipped employees who received \$20 or more in tips during April report them to the employer on Form 4070.

Wednesday, May 14

Semiweekly depositors deposit FICA and withheld income tax on wages paid on May 7-9.

Thursday, May 15

Monthly depositors deposit FICA and withheld income tax for April.

Friday, May 16

Semiweekly depositors deposit FICA and withheld income tax on wages paid on May 10-13.

Tuesday, May 20

Social Security, Medicare, and withheld income tax: If the monthly deposit rule applies, deposit the tax for payments made in April.

Wednesday, May 21

Semiweekly depositors deposit FICA and withheld income tax on wages paid on May 14-16.

Friday, May 23

Semiweekly depositors deposit FICA and withheld income tax on wages paid on May 17-20.

Thursday, May 29

Semiweekly depositors deposit FICA and withheld income tax on wages paid on May 21-23.

Friday, May 30

Semiweekly depositors deposit FICA and withheld income tax on wages paid on May 24-27.

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To-do list

- Conduct post-season review.
- Evaluate tax software.
- Remind individual clients of June 15 estimated tax payment.
- Alert clients who need to file amended returns.

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