



TAX LAWS GUIDANCE

The Tax Cuts and Jobs Act has passed both houses of Congress and will be signed into law soon. In the meantime there are things that most taxpayers should do before December 31, 2017:

- Prepay all 2017 state income taxes
- Pay the 2nd property tax installment due April 10, 2018
- Make January mortgage and home equity payments
- Speed up charitable contributions you were planning for future years
- Push business income to 2018 (rates go down in 2018, plus 20% deduction)
- For cash based businesses, defer billing until 2018
- For accrual based businesses, consider delaying shipments until 2018
- Businesses should prepay 2018 entertainment, amusement, and recreation expenses (not deductible in 2018)
- Recognize any possible business losses (they will be limited in 2018)
- Buy and place in service an electric car (tax credit expires at end of 2017)
- Prepay investment expenses and tax preparation fees in 2017 (nondeductible in 2018)
- Sell any business processes or patents before the end of the year (this will be treated as ordinary income in 2018, and is capital gains in 2017)
- Pay any moving expenses related to a job in 2017 (the deduction is eliminated in 2018)

Please contact our offices at (310) 363-7055 if you have any questions or concerns,

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