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The recently enacted Tax Cuts and Jobs Act (TCJA) has altered the tax landscape for a lot of businesses. Here are several examples of the changes coming in 2018.

### **Interest expense deductibility**

The TCJA introduced a limit in the deductibility of business interest to 30% of taxable income. However, this limitation does not apply to most taxpayers with gross receipts of \$25 million or less. If your gross revenues exceed \$25 million, we can discuss with you the impact on your business, and help you maximize your deduction.

### **Entertainment expenses**

The TCJA repealed the deduction for business entertainment. This includes expenditures such as taking clients to sporting events and shows and paying for season tickets for various entertainment events. Since these items are no longer deductible, it is very important to have your company's internal accounting set up appropriately. We can help you identify these expenses and treat them correctly on your tax return. And, we are available to assist you in accounting for these internally to streamline your tax compliance reporting.

### **Net operating losses (NOLs)**

Under the prior tax law, NOLs could be carried back two years or carried forward for 20 years. Unfortunately, the TCJA repealed the ability to carry back a NOL and claim a refund for already-paid taxes, effective for tax years starting after Dec. 31, 2017.

### **Like-kind exchange restrictions**

The new tax law restricts a like-kind exchange to real property (e.g., buildings and land). Under the prior law, you could utilize a like-kind exchange for tangible personal property and intangible property used in a business or held for investment.

### **Credit for paid family and medical leave**

A new credit was created under the TCJA for employers who provide eligible employees paid family and medical leave. You may be providing paid leave for employees already, and we can help you determine if your employee benefit qualifies for the new credit. There may be minor adjustments necessary to make your leave policy compliant with the new credit.

While the TCJA is effective now, there are still many uncertainties. Additional technical guidance and regulations are necessary to provide more clarity on some of the changes. The Internal Revenue Service is working to provide that guidance, which we expect later this year.

Please contact us if you have questions about the new law and how various provisions might apply to you. We would be happy to schedule a tax planning meeting to discuss your specific tax situation. Planning ahead can help you minimize your tax bill and position you for greater success.