



1881 Kansas Ave. SE-Huron SD 57350  
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[www.scheibecpa.com](http://www.scheibecpa.com)

November 2021

*Greetings from Scheibe Accounting LLP to you and your family.  
We want to wish you all a MERRY CHRISTMAS and a HAPPY NEW YEAR!*

**Reminder: filing deadlines for the following entities:**

1065 Partnership Returns are due 3-15-22  
1120 C-Corps are due 4-15-22  
1120 S-Corps have no change, still due 3-15-22

**\*\*Todd and Scott will likely be out of the office 12-23-21 until the beginning of 2022, so ALL prelims need to be finalized by Friday, 12-17-2021. Therefore, please have all information to us as soon as possible\*\***

**Please utilize your Portals to securely get your information to us.**

We are continuing to utilize the portal system or drop-off as that is the most efficient way to prepare tax returns. We went through the advantages of the use of the portal at this fall's client seminars. This best utilizes our time during filing season as once the year is over, there is very little information to discuss as the time for planning has already passed! ***We do encourage all clients to make prelim and planning appointments during the summer and fall when decisions can be made that positively affect your taxes.***

In 2021, we have had multiple tax law changes implemented again.

**Penalties** for 1099's & W-2's are \$530 per form for intentionally not filing. There are additional fees that apply for late and/or incorrect filings. There is a new 1099-NEC to report Machine Hire on this year.

**Important Deadlines for Form 1099 or W2**

For those of you required to file them, you are reminded that **January 31<sup>st</sup>** is the **deadline** for giving the recipient a **Form 1099 or W-2**. If you wish to have us prepare these forms, please **CAREFULLY COMPLETE THE WORKSHEET(S) WITH ALL INFORMATION IN THE CORRECT AREAS** for **1099's & W-2's**. Please fill out or print out these forms online on our website ([www.scheibecpa.com](http://www.scheibecpa.com)). **We will not take phone calls regarding this important information.** Please **send us the information by January 7<sup>th</sup>** to ensure the IRS deadline is met and to avoid any additional charge if we prepare them later.

**Qualified Business Income (QBI) Deduction** in its most simple form, is a 20% deduction of QBI Income, I.E.-your net business profit. It goes much further than that...it applies to Schedule C, E, F, Partnerships, S-Corps, and REIT Dividends.

**QBI** may be affected by **PPP Forgiveness** if you apply in 2021.

With all the New Regulations and QBI Requirements, all **Partnerships, S-Corporations,** and **Farm Returns** should consider Extensions.

**\*\*Farmers must send in the 4<sup>th</sup> Quarter Estimate**, previously provided to you. Many major Tax Preparer companies are now advocating not only one estimate, but to do 4 Quarterly Estimates, as the new Trade/Sale Regulations can eliminate the "farmer" 2/3 exemption. Penalties will be calculated on the whole year then. These *penalties will be enforced* by the IRS on the Client. **We have advocated for the 4<sup>th</sup> Quarter estimate for years, so *if penalties apply it will be due to client negligence to our advice.***

If you would prefer making four installment payments rather than just one 4<sup>th</sup> Quarter Estimate, please let us know so we can plan accordingly.

**If you file a Schedule E** for rentals (i.e. Rental House) and you want to have the 20% QBI Deduction to apply to that income you **must issue 1099's** to anyone that you pay over \$600. *The QBI is for Trade and Business Income.*  
NO exceptions: If you want the QBI, you must issue all required 1099's!!!

The TCJA has made changes to all equipment trade-ins. The **Trade-In Allowance is now handled as a sale and we will now require that you** give our office the related **purchase agreement documents**, so we can correctly list the *sale* and pick up the full purchase price of the new equipment you purchase.

The Corporate Tax Rate is still currently a flat 21%

**Itemized Employee Business Expense (Form 2106) Repealed:** travel, meals, auto expense, union dues, uniforms, education, Malpractice Insurance, therefore, NO deductions are allowed.

#### **All Miscellaneous 2% Itemized Deductions Repealed**

Investment advisory fees, hobby expenses, legal fees, tax prep, safe deposit box

With the loss of these deductions, employers need to be looking at **Accountable Plans** to allow employees to still take advantage of these expenses. FOR A NOMINAL FEE, OUR OFFICE HAS A SAMPLE PLAN AVAILABLE FOR THOSE WITH EMPLOYEES THAT HAVE SUCH EXPENSES.

NO personal Exemptions – But increased Standard Deduction

#### **Tax Forms:**

**We will NOT be mailing the Farm Tax worksheet, 1099 Input Sheet, Income Tax Worksheet & W-2 worksheets, these forms are interactive and you can upload to your Portal. W-2 worksheets have changed as we are starting a move to automated payroll vs client handwritten time-consuming processes at year-end. They are available for your use, from our website, under the "Resources" tab, listed under "Forms". \*Please remember to notify us when documents are uploaded to your portal!**

***\*\*Please provide a current e-mail address with this year's tax information. This is a mandatory office policy. If you do not have email, we will work with you, but **there will be additional charges for extra paper copies** as our office continues to go GREEN.***

***\*\*see Portal information\*\****

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Enjoy the Holiday Season!  
Todd Scott Becky Tasmah Jan