

The Tax Reform Checklist: Is Your Business Ready? (Infographic)

With the new tax bill in place, it's important to understand how your business is affected.

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Have you filed your taxes yet? If not, you better hurry – April 17 is just around the corner. With the new Tax Cuts and Jobs Act that was put in place last year, taxes might seem a little scarier than usual, especially for small businesses. However, there's no need to stress. Payroll and HR solutions service Paychex has come up with a complete tax reform checklist to make sure your business is fully prepared.

Related: 10 Tax-Savings Hacks That Small Business Owners Often Miss

The first step in getting your business ready is simple: *don't panic*. To keep yourself at ease, contact a financial consultant or accountant who can help. The next step is to understand your employees' situations and how the new law affects them. Some impacted areas to keep in mind are individual tax brackets, personal exemptions, standard deductions, itemized deductions and child tax credits. This jargon might sound daunting, but with a few Google searches or the help of a professional, it's easy to grasp.

Related: 5 Tax-Deduction Changes in the Trump Tax Plan You Need to Know About This Tax Year

Next, it's vital to keep doing your research and understand your state's policies and how they've been impacted by the tax

reform. Make sure to thoroughly review the new policy changes and consult an expert with any questions.

To learn more, check out the infographic below.

The Tax Reform Checklist: Is Your Small Business Ready?

A Guide for Navigating Tax Reform Legislation Updates

Tip
#1

Don't Panic

This is where an accountant or financial advisor can help. Plan ahead by consulting with them to determine how the new tax laws will affect your business.

Did you know?

The new tax law reduces the corporate tax rate to a flat 21% with no corporate Alternative Minimum Tax.



Tip
#2

Understand Your Employees

Understand how the new tax law will affect your employees. The changes to individual tax policies could have more of an impact on your business than you think.

Ex:

Some of the most significant changes coming from the tax reform bill are related to:



individual tax brackets



personal exemptions



standard deduction



itemized deductions



child tax credits

Did you know?

The standard deduction has been almost doubled:



\$12,000
for single filers



\$24,000
for married joint filers



\$18,000
for heads of households

Tip
#3

Know Your State's Policies

Consult with local state tax authorities to understand the specific legislation changes within the state(s) where your business is located. Your financial advisor can help here too.

Ex:

It's important to know how your state's policies align with the existing corporate tax code, how it will address the changes, when the new state-specific legislations will go into effect, etc.



Tip
#4

Don't Miss Out

Tax reform can be complicated, but it could benefit your bottom line. Determine how your company can make the most of the business incentives offered by the new tax law.

Did you know?

The new tax law permits deductions of up to 20% for qualified business income for pass-through entities (partnerships, LLCs, sole proprietorships, S corporations, etc.).



Ex:

Review the new policy changes to understand if your business qualifies for deduction incentives for pass-through entities, tax credits for offering paid family and medical leave, accelerated expense rules, etc.



Tip
#5

Ask an Expert

Work with a payroll services provider to ensure your payroll system can adapt to these complex changes quickly.

Did you know?

The government offers tax credits for certain employers that provide paid family and medical leave to their workforce. The credit ranges from 12.5% to 25% of wages paid.



Ex:

Ensure your business is prepared for the new IRS withholdings tables, modified rules for employee achievement awards, changes to health insurance costs, etc.



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To learn more about how Paychex is keeping businesses up-to-date with the new law, visit our [tax reform resource center](#).

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