

Provision	House Bill	Senate Bill
Maximum 25% tax rate for flow-thru entities	<p>No savings whatsoever until a business owner makes at least \$260,000 MFJ or \$180,000 (after salary).</p> <p>In order to save just \$5,000 in taxes, a business owner needs to make \$426,666 MFJ or \$346,666 Single (after salary).</p> <p>Is this the impact you need in your business to expand and grow?</p> <p>Bottom line- Not helpful for large majority of small business owners.</p>	n/a
9% tax rate on first \$75,000 MFJ or \$37,500 Single	<p>Save \$750 MFJ in 2018/2019 and \$375 Single. Save \$1,500 MFJ and \$750 Single in 2020/2021. The MOST a taxpayer will save is \$2,250 MFJ in 2022.</p> <p>Personal service businesses get to participate in this benefit.</p> <p>However, it phases out completely at \$150,000/\$75,000 of income, and is this ‘significant savings’ that will affect your business to hire more employees?</p> <p>Bottom line- This deceptively isn’t good for small business when you weigh the meager benefit compared to the increased scrutiny from the IRS on salary levels and pass-thru income.</p>	n/a
17.4% deduction against pass-thru income from pass-thru businesses. For PERSONAL SERVICES such as health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, and brokerage services.	n/a	<p>Phases out entirely at \$150,000 MFJ and \$75,000 Single filers, AND starts phasing out at ½ way there.</p> <p>The most a small business owner will possibly save is \$1,044 MFJ/\$522 Single, and if you make more than \$50,000/\$25,000 it’s reduced from there.</p> <p>Bottom line- A minor benefit at best, and if you are in a personal service business making this level of income, it won’t last long.</p>

<p>17.4% deduction against pass-thru income from pass-thru businesses.</p>	<p>n/a</p>	<p>This is a 17.4% deduction from qualified business income/trade or business, not including salary.</p> <p>No phase out, BUT it is limited to 50% of the salary of the business owner- which you want to keep as low as possible anyway. Thus, it will make for some creative planning opportunities.</p> <p>Approximate savings of \$11,484 MFJ, assuming a business owner with a \$75,000 salary and \$200,000 in net income, the deduction would be approximately \$35,000 and in a 33% tax bracket (under Senate Bill).</p> <p>However, it DOES NOT APPLY to Personal Service Firms.</p> <p>Bottom line, I can't imagine tax savings being more than \$15,000 - \$20,000 for a successful business owner and a salary of approx. \$96,000.</p>
<p>Entertainment Expense</p>	<p>Completely repealed – No Good. Business flourishes with constructive meetings between business owners, vendors, customers and employees. Audits and Tax court guidance have prevented its abuse. Leave the write-off.</p>	<p>n/a</p>
<p>Various Business Tax Credits, including Employer provided child care, Rehabilitation credit, Work opportunity tax credit, New markets tax credit, Building access for disabled individuals, Employee tips, and various energy credits.</p>	<p>The House bill repeals a long list of business tax credits that help motivate wise investment and business development. Don't repeal these and Leave them alone!!</p>	<p>n/a</p>