


<u>Date</u>			<u>Completed</u>
<u>Payroll Date</u>	<u>Deposit Date</u>	Semi-Weekly Payroll Tax Deposits. Employers that are semi-weekly depositors generally must deposit taxes withheld and FICA taxes on payrolls paid on Wednesday, Thursday or Friday on or before the following Wednesday, and deposit taxes from payments on other days on or before the following Friday. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and third quarter.	
July 27 – 29	Aug 3		
30 – Aug 2	5		
Aug 3 – 5	10		
6 – 9	12		
10 – 12	17		
13 – 16	19		
17 – 19	24		
20 – 23	26		
24 – 26	31		
27 – 30	Sept 2		
31 – Sept 2	8		
July 29 – Aug 7	Coast Guard Festival, Grand Haven.		
Aug 5 – 7	Big Red Classic Sports Fishing Tournament, Yacht Basin Marina, Holland.		
6	Coast Guard Fireworks Extravaganza, at dark.		
6	Art in the Park, Centennial Park, Holland, 9 AM – 5 PM.		
11 – 14	National Blueberry Festival, South Haven.		
12	Michigan sales and use tax deposit for month of July to claim early payment discount.		
15	Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during July. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and third quarter.		
15	Corporations with fiscal year ending August 31, November 30, February 28, or April 30: <ul style="list-style-type: none"> <li>• Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit.</li> </ul>		
15	Corporations with fiscal year ending May 31: <ul style="list-style-type: none"> <li>• Federal Income Tax Return - Form 1120 or 1120-S.</li> <li>• Deposit balance of tax due electronically. Indicate Form 1120 and Balance Due on Return.</li> <li>• Pay accrued compensation, charitable contributions, retirement plan contributions, etc.</li> </ul>		
15	Businesses with fiscal year ending October 31, January 31, April 30, or July 31: <ul style="list-style-type: none"> <li>• Pay MBT estimate to State of Michigan.</li> </ul>		
20	Art on the Riverfront, Grand Haven Municipal Marina & Chinook Pier, 10 AM – 6 PM.		
22	Michigan combined Sales, Use, Withholding and MBT Estimate Return for the month ended July 31.		
22 – 27	Hudsonville Community Fair.		
28	Taste of Saugatuck, 12 PM – 7 PM.		
31	Businesses with fiscal year ending April 30: <ul style="list-style-type: none"> <li>• File MBT return and pay balance due to State of Michigan.</li> </ul>		



JULY

SU	M	T	W	TH	F	SA
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

AUGUST

SU	M	T	W	TH	F	SA
1	2	3	4	5	6	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

SEPTEMBER

SU	M	T	W	TH	F	SA
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30



August 2011

## MIDYEAR TAX PLANNING

Thanks to the extension of the so-called Bush tax cuts through 2012, the current federal income tax environment remains favorable. Now is the time to take advantage because we don't know what tax rates will be in 2013 and beyond. Here are some tax planning ideas that may apply to you, your family members, or your business.

**Leverage Standard Deduction by Bunching Deductible Expenditures.** Are your 2011 itemized deductions likely to wind up being just under, or just over, the standard deduction amount? If so, consider the strategy of bunching together expenditures for itemized deduction items every other year, while claiming the standard deduction in the intervening years. The 2011 standard deduction for married joint filers is \$11,600; the magic number for single filers is \$5,800; it's \$8,500 for heads of households. Examples of deductible items that can be bunched together every other year to lower your federal income taxes include charitable contributions and state income and property tax payments.

**Time Investment Gains and Losses.** As you evaluate investments held in your taxable brokerage firm accounts, consider the impact of selling appreciated securities this year. The maximum federal income tax rate on long-term capital gains realized from 2011 sales of securities held for over a year is only 15%. Therefore, it often makes sense to hold appreciated securities for at least a year and a day before selling. Biting the bullet and selling some loser securities (currently worth less than you paid for them) before year-end can also be a good idea. The resulting capital losses will offset capital gains from other sales this year, including short-term gains from securities owned for one year or less, which would otherwise be taxed at higher ordinary income tax rates. You may have significant short-term gains if you bought into the stock market before this year's uptick. The bottom line is that you don't have to worry about paying a higher tax rate on short-term gains if you have enough capital losses to shelter those short-term gains. If capital losses for this year exceed capital gains, you will have a net capital loss for 2011. You can use that net capital loss to shelter up to \$3,000 of this year's high-taxed ordinary income from salaries, bonuses, self-employment, and so forth (\$1,500 if you're married and file separately). Any excess net capital loss is carried forward to next year.

**Bigger Section 179 Deduction.** Your business may be able to take advantage of the temporarily increased Section 179 deduction. Under the Section 179 deduction privilege, an eligible business can often claim first-year depreciation write-offs for the entire cost of new and used equipment and software additions. For tax years beginning in 2011, the maximum Section 179 deduction is \$500,000 (same as for tax years beginning in 2010). For tax years beginning in 2012, however, the maximum deduction is scheduled to drop back to \$125,000. Watch out if your business is already expected to have a tax loss for the year (or close) before considering any Section 179 deduction as you cannot claim a Section 179 write-off that would create or increase an overall tax loss.

**Section 179 Deduction for Real Estate.** Real property improvement costs are generally ineligible for the Section 179 deduction. However an exception applies to tax years beginning in 2011 (and 2010). Under the exception, your business can immediately deduct up to \$250,000 of qualified improvement costs for interiors of leased nonresidential buildings, restaurant buildings, and interiors of retail buildings. The \$250,000 Section 179 allowance for real estate improvements is part of the overall \$500,000 allowance. This temporary real estate break will not be available for tax years beginning after 2011 unless Congress extends it.

**100% First-year Bonus Depreciation.** Above and beyond the bumped-up Section 179 deduction, your business can also claim first-year bonus depreciation equal to 100% of the cost of most new (not used) equipment and software placed in service by December 31 of this year. For a new passenger auto or light truck that's used for business and is subject to the luxury auto depreciation limitations, the 100% bonus depreciation break increases the maximum first-year depreciation deduction by \$8,000 for vehicles placed in service this year. The 100% bonus depreciation break will expire at year-end unless Congress extends it.