


TAX PAYMENT  
CALENDAR

FEBRUARY  
2016

<u>Date</u>			<u>Completed</u>
<u>Payroll Date</u>	<u>Deposit Date</u>		
Jan 27 – 29	Feb 3	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 first quarter.	
30 – Feb 2	5		
Feb 3 – 5	10		
6 – 9	12		
10 – 12	18		
13 – 16	19		
17 – 19	24		
20 – 23	26		
24 – 26	Mar 2		
27 – Mar 1	4		
10	Personal Property Tax Affidavits must be received by local assessor.		
12	Michigan sales and use tax deposit for the month of January to claim early payment discount.		
14	Valentine's Day.		
15	Presidents' Day.		
16	Michigan Annual Report - Limited Liability Companies.		
16	Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during January. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and first quarter.		
16	Corporations with fiscal year ending February 28, May 31, August 31, or October 31: <ul style="list-style-type: none"> <li>• Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit.</li> </ul>		
16	Corporations with fiscal year ending November 30: <ul style="list-style-type: none"> <li>• Federal Income Tax Return - Form 1120 or 1120S.</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>		
16	Corporations with fiscal year ending January 31, April 30, July 31, or October 31: <ul style="list-style-type: none"> <li>• Pay CIT estimate to State of Michigan.</li> </ul>		
22	Michigan Sales, Use, and Withholding Taxes Return for the month of January.		
22	Personal Property Tax Returns must be received by local assessor.		
29	Form 1096 – Annual Summary and Transmittal, accompanied by copy of Forms 1099 and/or Forms 1098.		
29	Michigan Annual Return for Sales, Use, and Withholding Taxes. Enclose state copy of Forms W-2 and 1099-MISC.		
29	Corporations with fiscal year ending October 31: <ul style="list-style-type: none"> <li>• File CIT return and pay balance due to State of Michigan.</li> </ul>		
29	Form W-3 - Transmittal of Income and Tax Statements, accompanied by copy of Forms W-2.		



JANUARY

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						

FEBRUARY

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					

MARCH

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		



February 2016

## **THE PROTECTING AMERICANS FROM TAX HIKES (PATH) ACT**

The last minute extender legislation passed in December, the Protecting Americans from Tax Hikes Act of 2015 (the Path Act), contains good news for just about everyone. It makes many of the long-favored tax breaks (so-called extenders) permanent and retroactively extends (some for five years, others for two years) the rest of them. It throws in a few new tax breaks as well. Here is a quick summary of the most important tax changes.

**Deduction of State and Local General Sales Taxes.** The provision that allows individuals who paid little or no state income taxes the option of claiming an alternative itemized deduction for state and local sales taxes is now permanent starting in 2015.

**IRA Qualified Charitable Contributions.** IRA owners who have reached age 70½ are allowed to make tax-free charitable contributions of up to \$ 100,000 directly out of their IRAs. The Act makes this tax break permanent.

**\$ 250 Deduction for K-12 Educators.** Teachers at K-12 schools can deduct up to \$ 250 of school-related expenses paid out of their own pockets—whether they itemize or not. The Act makes this deduction permanent so that it is allowed for 2015 and beyond. Also, beginning in 2016, the \$ 250 cap will be indexed for inflation and professional development expenses will also be deductible under this provision.

**American Opportunity Tax Credit (AOTC).** The AOTC is a credit of \$ 2,500 for various tuition and related expenses for the first four years of post-secondary education. The Act makes the AOTC permanent.

**Tax-free Treatment for Forgiven Principal Residence Mortgage Debt.** The Act retroactively extends this break to cover eligible debt cancellations that occur before 2017.

**Qualified Tuition Deduction.** This write-off, which can be as much as \$ 4,000 or \$ 2,000 for higher-income folks, expired at the end of 2014. The Act retroactively extends it through 2016.

**\$ 500 Energy-efficient Home Improvement Credit.** Taxpayers can claim a tax credit for certain energy-saving improvements to a principal residence, subject to a \$ 500 lifetime cap. The Act retroactively extends it for two years, to apply to property placed in service before 2017.

**Enhanced Section 179 Deduction Made Permanent.** The Act retroactively restores and makes permanent the (1) enhanced maximum Section 179 deduction of \$ 500,000, (2) enhanced Section 179 deduction phase-out threshold of \$ 2 million, and (3) rule allowing Section 179 deductions for qualified real property. Additionally, for tax years beginning after 2015, (1) the \$ 500,000 and \$ 2 million limits will be indexed for inflation, (2) the special \$ 250,000 deduction cap that previously applied to qualified real property will be eliminated, and (3) air conditioning and heating units will be eligible for expensing.

**15-year Depreciation for Certain Real Property Improvements Made Permanent.** The Act retroactively extends and makes permanent the 15-year straight-line depreciation privilege for qualified leasehold improvements, qualified restaurant property, and qualified retail space improvements.

**Bonus Depreciation Extended through 2019.** The Act retroactively extends bonus depreciation for qualifying new (not used) assets that are placed in service during 2015 through 2019. The bonus depreciation percentage is 50% for property placed in service during 2015 through 2017 and phases down to 40% for property placed in service in 2018, and 30% for property placed in service in 2019.

**Research and Development (R&D) Credit.** The Act retroactively and permanently extends the R&D credit. Additionally, beginning in 2016, eligible small businesses (\$ 50 million or less in gross receipts) may claim the credit against Alternative Minimum Tax (AMT), and the credit can be utilized by certain start-up businesses against the employer's payroll tax (i.e., FICA) liability.