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## ABOUT SMALL BUSINESS WEEK

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**Craig Smalley** • May. 07, 2018

What can get lost to us professionals is Small Business Week. The Internal Revenue Service has produced You Tube Videos depicting Small Business Deductions. Not to be outdone [the National Association of Enrolled Agents \(NAEA\)](#) has released their own Small Business Tax Tips. What is interesting, is the tax code has changed more than it did with the big change in 1986.

Always on the cutting edge of taxation the [NAEA's Press Release](#), speaks to things like examining your entity choices for small businesses. For example, under certain circumstances, the press release points out that certain flow-thru entities are entitled to a special 20% deduction on the income that flows over to the taxpayer. It further specifies the circumstances where the deduction applies. If the deduction does not apply a C-Corporation is on the table with a flat tax of 21%.

There was, and still is a depreciation code IRC §179, which allows you to depreciate the entire purchase of equipment. However, this deduction cannot take your net income to less than zero. For instance, if your profit is \$40,000, and you buy \$50,000 of equipment, under the 179 rules, you can only write off \$40,000 and the additional \$10,000 rolls over to the next year.

As the press release points out, under the new tax law, you can deduct 100% of equipment you buy regardless of your income. There are rules with this deduction that have to be followed, but you can find a [tax pro here](#).

The press release also goes into certain things that are no longer deductible.

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admitted to practice before the Internal Revenue Service as an Enrolled Agent and has a Master's Certificate in Taxation from UCLA. In practice since 1994, Craig is well-versed in U.S Tax Law and U.S. Tax Court cases, and specializes in individual, partnership, and corporate taxation for high-net-worth clients; entity structuring and restructuring; and representation before the IRS regarding negotiations, audits and appeals. Craig is currently a columnist for CPA Practice Advisor and AccountingWEB and has had 12 books published. His articles have been featured in publications including the Wall Street Journal, The New York Times, and Christian Science Monitor, and he has been interviewed and appeared as a featured guest on numerous radio shows and podcasts. Craig can be reached at [craig@craigwsmalleyea.com](mailto:craig@craigwsmalleyea.com).

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