Decoded and Demystified - One Page FAQ

What are these updates?

Recent federal tax and business updates that reduce paperwork and improve planning for businesses and nonprofits.

Do nonprofits need to pay attention?

Yes. Reporting rules and employee pay changes affect both businesses and nonprofits. Profit based tax breaks mainly help for profits.

20 percent small business deduction

Now permanent. Many small businesses can deduct about 20 percent of income. Primarily helps for profit businesses.

Equipment and research write offs

Businesses can deduct equipment and US research costs immediately instead of spreading them out.

Payment apps Venmo and PayPal

Reporting only happens above 20,000 dollars and 200 transactions. Applies to businesses and nonprofits. This changes paperwork, not nonprofit tax status.

Startup investment incentives

Stronger tax incentives for investors in for profit startups.

Business loss limits

Permanent caps on how much loss can be used each year. Applies to taxable businesses.

Tips and overtime

Employees at businesses and nonprofits can deduct part of this income and keep more pay.

Employee Retention Credit

ERC claims are closed. Missed deadlines cannot be reopened.

Nonprofit grants

No new limits on how much nonprofits can distribute in grants.

What should organizations do next?

Review financial plans, talk to a tax professional, and use NavigateBHM resources for guidance.