

2018 Tax Code Overhaul & Conversion FAQs

Q: Is it legal to convert my corporation/business now?

A: Yes. No laws have changed regarding the formation of businesses.

Q: Is there a lot of paperwork or costs to re-structure or add an additional entity?

A: No. Most corporate conversion and entity creation takes less paperwork than you may think. Sometimes, businesses new to incorporation need to obtain things like business licenses, sellers' permits, bank accounts, etc.

Q: Why should I use your firm to form my corporation?

A: Many online firms exist that will just form your company and leave you stranded, and with no guidance moving forward on how to operate, account and report/file taxes. We do it all, for much less cost.

Q: How will this save me money in taxes?

A: The new tax laws have made it beneficial to operate at least one corporation. We will show you how exactly to set the corporation up, per your existing structure. In the end, you will be taking advantage of 2 or 3 of the new tax laws' lower brackets. Additionally, you may see benefit on the state level as well.

Q: I already have an S Corp/LLC. Why do I need your services?

A: 3 reasons. 1 – the tax breaks for S Corps/LLCs are temporary, limited, and capped by income. 2 – we show you how you can keep operating under the same S Corp and still save money. 3 – C Corporations have a built-in tax advantage that S Corps and LLCs do not.

Q: Is there a time limit/deadline for this?

A: Technically, you have to act by March 15th of any year to be considered a corporation for that year. However, there are late elections and half year protocols that can be used. It's best to get in by March 15th, however.

Q: What type of savings will I see?

A: In our average case involving net business income of \$130,000, the taxpayer will see annual tax **savings of between \$5,100 and \$11,100** when operating under our guidelines. We compared 3 or 4 use cases, involving S Corp/LLC only, C Corp only, Sole Prop, and personal W2 wages.

Q: Is this all legal?

A: Yes. Between the new laws and the IRS, there are standards for personal W2 wages for business owners, pass-through tax breaks, capped C Corporation taxes, and changes in territory recognition. Everything we do is completely legal and by-the-book.

Q: Will my business experience any down time?

A: No. Your business keeps operating while the structures are being set up. If anything needs to switch after set up completion, we will let you know and assist you. We can even assist in merchant services switch-over, bookkeeping and payroll set up.