

THE KT ADDITION

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Friends for Life.

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SPECIAL TAX ELECTIONS FOR FARMERS AND RANCHERS

BRADY LARSEN, CPA, MANAGER



Brady Larsen,
CPA, Manager

If you have been following the weather so far this year, you may have noticed it's much drier than usual. This past winter, the snowfall was less than normal, and the rain storms this summer have been few and far between. You may have guessed it. Yes, we are in a drought. This affects all of us but hits the farm and ranch community hard. Many ranchers are forced to sell off their current year crop of livestock sooner than normal or even some of their breeding stock because their pastures and hay fields didn't produce enough to feed them. Also, farmers who lose their crops and receive insurance proceeds can end up with a large increase in taxable income because they are not able to defer the income to the following year when their crops are usually sold. Luckily there is tax relief that can help out.

Producers may be forced to sell livestock earlier or sell more of their herd than usual which can cause a big increase in taxable income compared to a normal year. The tax law allows two different deferral options that can help smooth out income so they don't have a huge tax burden in one year.

The first deferral option is an election to replace breeding, draft, or dairy livestock sold because of poor weather conditions, loss of pasture, bad

water, etc. This allows the producer to defer any gain as long as the livestock are replaced within two years after the year of the sale. If the producer's county or adjoining county receives a federal disaster designation, the replacement period extends to four years. Only livestock sold exceeding the amount sold on a normal year qualify for the deferral. For example, if the producer normally sells five cows and during the drought year the producer sold ten, only the additional five would qualify for the gain deferral. By making this election, any gain that was realized on the sale of the livestock is not taxable but would reduce the basis of the replacement livestock. The producer must replace the livestock with "like-kind" livestock (cows for cows, bulls for bulls). If, however, after the two

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(Special Tax Elections for Farmers and Ranchers continued from page 1)

or four year period weather conditions make replacing the livestock not feasible, the producer can replace the livestock with any property used in the farming/ranching business except for land.

The second deferral option is an election to defer income from the sale of any livestock (including a calf crop) exceeding the number of animals the producer normally sells in a year to the following year. In order for this election to be available, the producer must be in an area that was designated as a federal weather related disaster area, and the weather related conditions

are what caused the sale of the livestock. To be eligible, farming must be the principal business of the taxpayer and normal business practice includes the sale of the livestock the following year.

Both of these elections have a maximum number of livestock that can be deferred but not a minimum, so each deferral can be tailored to fit a particular tax situation. Elections can be made up until the extended due date of the tax return (October 15), but tax owed is still due at the time of extension (April 16) to avoid interest and penalties.

Farmers also have some options

when it comes to crop insurance proceeds. They can elect to defer the income from crop insurance received for crop damages or destruction to the following year if it is normal practice of the producer to sell or consume that crop the next year. All crop insurance proceeds for the current production year must be deferred even if it is normal practice to sell one particular crop the current year and the other the next year. This election does not provide much flexibility; it is either all or none.

Give the KTLTP Ag Team a call today to further discuss these rules and your particular situation.

Ag Industry Update

Join us for an hour-long informative discussion on issues currently impacting farmers and ranchers, and how those affect your financial, tax, and succession planning.



Hosted by:

Ketel Thorstenson, LLP

Certified Public Accountants/Business & Personal Consultants



Great Western Bank

October 17 • 3 p.m.
Central Meade County
Community Center
Union Center, SD

October 24 • 3 p.m.
Philip Ambulance Building
Philip, SD

October 26 • 3 p.m.
Bowman
Memorial Hall
Belle Fourche, SD

For more information visit ktllp.com
RSVP's appreciated but not necessary - call 605-716-3284 or rsvp@ktllp.com



CHANGES TO FILING LATE PORTABILITY ELECTIONS

MICHELLE MINNERATH, CPA, PARTNER

Portability has become an important tool for most couples when it comes to estate planning. The portability election first came into play by the Tax Relief Unemployment Insurance Reauthorization and Job Creation Act of 2010. This election allows a surviving spouse to use a deceased spouse's unused exclusion amount for gift tax during his or her lifetime and for estate tax at death. For 2017 the federal estate tax exclusion amount is \$5,490,000. Since each spouse has his or her own exclusion, portability allows couples to exempt up to \$10,980,000 in assets from the estate tax. In order to "port" over the unused exclusion from the first deceased spouse, a Form 706 has to be timely filed, which is 9 months after date of death or if extended, an additional 6 months is allowed to file the return. If the return is not filed within this time frame, executors have to file a request or a letter ruling to obtain the exemption. This letter ruling can be very costly.

On June 9, 2017 the IRS provided a more permanent, simplified method for making

a late portability election. Now the estate executor must:

1. File a Form 706, estate tax return, on or before the latter of January 2, 2018 or the second anniversary of the decedent's date of death.
2. State on the top of the form that the return is "filed pursuant to Rev. Proc. 2017-34 to elect portability under section 2010(c)(5)(A)".

If the return is filed after this date, the executor has to file a private letter ruling and pay a fee of \$10,000.

The simplified method is allowing executors of anyone who passed away after December 31, 2010 to now file a Form 706 to "port" over the spouse's unused exclusion amount to the surviving spouse. This new procedure does not apply to taxpayers who already filed an estate return within the allowed time for electing portability or to those who opted out.

It is good to keep in mind the portability election is not without some negative attributes. By



*Michelle Minnerath,
CPA, Partner*

making the portability election at the death of the first spouse, the statute of limitations does not close on the first spouse's estate until the death of the surviving spouse. This gives the IRS the ability to re-examine any issue in the estate of the first spouse.

Also, if the decedent lives in a state which has state inheritance tax, the exemption for that state may be less than the federal exemption.

Please contact the portability experts at KTLLP if you have any questions or need help filing a Form 706.

SPEARFISH
Open House
 THURSDAY, OCTOBER 12, 2017 • 4:00-6:30 P.M.
 1351 St. Joe Street • Joy Proctor Krautschun Alumni Foundation Welcome Center
 Located on the BHSU campus next to the Lyle Hare Stadium
Food & Fun Food catered by Rent-a-Chef

DO YOU TAKE ADVANTAGE OF THE 0% TAX RATE

GREG MINER, CPA, MANAGER

Yes, that's right. A 0% tax rate.

Do you own an asset that has appreciated over the years? Are you considering selling that asset, but are worried about the income tax consequences? This isn't necessarily a bad problem to have and it is possible to pay very little, if any, income tax when selling an appreciated asset. However, income tax planning may be required to take advantage of preferable long term capital gains tax rates.

Examples of assets that may qualify for capital gain treatment include public or private company stock, land, and apartment buildings just to name a few. To qualify for long term capital gains treatment, you must have owned the asset for more than one year prior to the sale.

Long term capital gains are taxed at either 0%, 15% or 20%. In addition, a 3.8% surtax may apply to high income individuals, and higher rates apply if there is depreciation recapture. The rate applicable to you is dependent on your overall taxable income. For those with 2016 income under \$37,650 (\$75,300 for Married Filing Jointly) the long term capital gains rate was 0%. If 2016 taxable income was between \$37,650 and \$415,050 (\$75,300 and \$466,950 MFJ) the long term capital gains rate was 15%. If taxable income was above

\$415,050 (\$466,950 MFJ) the long term capital gains rate was 20%.

For example, if a married couple's taxable income was \$80,000 and \$20,000 of the \$80,000 was long term capital gains, they would pay 0% on the first \$15,300 of gain and pay 15% on the last \$4,700 of gain that exceeds \$75,300 of total taxable income.

Now that we know what the 0% long term capital gains tax rate is, how can you take advantage?

There are several tools in our bag and each situation is different. Land and real estate could be sold on a contract for deed. Using a contract for deed and electing the installment method would spread the capital gains out over several years and, if done correctly, you may be able to take advantage of the 0% long term capital gains tax rate each year of the contract.

In the case of stock, we could assist you with planning in December to determine the exact amount of 0% long term capital gains bracket you have remaining and help you trigger the right amount of gains in 2017. If you still wanted to hold the stock you can repurchase the stock immediately after it was sold, but with an increased income tax basis.

Another great option is to defer other types of income,



**Greg Miner,
CPA, Manager**

for example with deductible retirement contributions, to both reduce ordinary income tax and reduce the long term capital gains tax rate from 15% to 0%.

Appreciated assets could also play a big role in charitable giving and estate planning. There are several other factors that need to be considered including taxable social security income and surtaxes. If you want to take advantage of the 0% long term capital gains tax rate please contact your KTLLP tax advisor.



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online.**

THE EVER CHANGING MILEAGE RATE

TRACI FITTING, EA, MANAGER

If you have used or plan to use your vehicle for business, charitable, medical, or moving (BCMM) purposes, you may qualify to claim expenses for your vehicle. Taxpayers have two available options: **1) Actual Method-** track all of your vehicle expenses, such as fuel, insurance, repairs, etc. and keep all receipts related to these expenses. You are allowed to deduct actual expense based on the ratio of BCMM miles to total miles or **2) Mileage Method-** track your BCMM mileage and multiply that by the appropriate IRS approved mileage rate. If you choose to use the mileage method, the rates change every year and typically are announced in late December for the upcoming year. The IRS also requires written records of the mileage in order for you to claim a deduction using either method.

If you are using your vehicle for business purposes, you may deduct 53.5 cents per qualified, unreimbursed business mile for 2017. This will be for mileage incurred for business purposes, such as errands to pick up business supplies, mileage for going from one job or job location to another in the same day or visiting customers. The mileage must have a business purpose. However, commuting from your tax home to your work location is not deductible mileage.

If you are a business owner reimbursing employees for mileage you can reimburse them at the

current rate (or less, if you choose). If you choose to reimburse at a rate higher than the standard rate, then the excess mileage amount should be included in your employees' W-2 as a taxable fringe benefit.

If you are using your vehicle for charitable purposes, you may deduct 14 cents per mile for 2017 for each qualifying, unreimbursed mile incurred on behalf of the qualified charitable organization. To qualify, there cannot be a significant element of personal pleasure, recreation, or vacation in the travel. The mileage must be directly connected with the volunteer service(s) you performed if you are reimbursed for your mileage at a rate greater than 14 cents per mile, the difference should be reported as income on your personal income tax return. As an example, if the charity were to reimburse you at the rate of 20 cents per mile, then 6 cents per mile would be added as income on your personal income tax return. On the other hand, if you were reimbursed 10 cents per mile, then your deduction would be 4 cents per mile.

If you are a representative of a qualified charity that chooses to reimburse its volunteers, you should do so at the standard rate. You are not responsible for issuing any 1099 to report reimbursed expenses. We do highly recommend that you have the volunteer submit written records for reimbursement.



Traci Fitting,
EA, Manager

If you use your vehicle in connection with medical or moving miles, then you may deduct 17 cents per mile for each qualifying, unreimbursed mile incurred for 2017. To qualify, medical mileage must be incurred primarily for, and essential to, medical care for you and your spouse as well as those you claim as qualifying children or qualifying relatives. Moving expense mileage is allowed for each car driven from your former home to your new home (1 one-way trip each), provided you meet all the tests for claiming moving expenses.

The above summary is a brief overview of the different mileage rates available. The rules governing the ability to claim deductions for mileage can be quite complex, depending on your tax situation. For further, in-depth discussions regarding this information, please contact the qualified professionals at Ketel Thorstenson, LLP.

PAYING SOUTH DAKOTA USE TAX

SARAH DAVIS, CPA, SENIOR ASSOCIATE, QUICKBOOKS PROADVISOR

Do you need to pay South Dakota use tax on that? Use Tax can be a tricky subject, but luckily in South Dakota there are some fairly straightforward rules. Since South Dakota does not have a state income tax, generally most products and services are subject to sales or use tax.

What is use tax? Use tax is calculated on the amount of a purchase, whether for goods or services, paid to a vendor that did not include sales tax on the invoice. Use tax calculations in South Dakota are based upon where the product or service is being used. For example: Amazon ships office supplies to your business in Black Hawk – since Black Hawk is only “state” taxable, the office products need to be taxed at 4.5%. Another example: you have tools shipped to your home in Black Hawk, but the tools will be used at a worksite in Rapid City – those tools need to be taxed at 6.5% which includes 2% city tax.

What does this mean for you as a business owner? It means you should check all receipts and invoices received to verify whether or not tax was included. This is particularly true for online purchases. For example, Amazon is supposed to be charging sales tax on all purchases sent to South Dakota addresses, however, that does not mean the process has been completely implemented. Amazon

is one of the most commonly used internet vendors, and they may not always charge sales tax.

Which types of products and services should you be looking for? Straight answer: generally all. Unless your business is using a product for resale, or you have a special exemption certificate, all products and services are taxable. Examples: Having your income taxes prepared - the service is taxable. Picking up a load of office supplies from the store down the street - the products are taxable. Renewing a subscription online or via mail - they are taxable. If something was taken out of inventory for use within your business or for personal use - that item is taxable as well.

Anything purchased for use within South Dakota, regardless of whether it was purchased online or in another state, South Dakota sales tax will need to be paid for it. If it doesn't show tax charged on the invoice, you will need to report it as a use taxable item on your sales tax return. Again, there are exceptions to the rules, but there are very few.

If you have questions on use tax, please refer to our website at www.ktllp.com for a couple of reference guides from the state of South Dakota, they are also listed below. You can also contact our Accounting Services



Sarah Davis, CPA, Senior Associate, QuickBooks ProAdvisor

Department at Ketel Thorstenson for additional questions.

SD Use Tax Publication http://dor.sd.gov/Taxes/Business_Taxes/Publications/PDFs/Tax%20Facts/Use%20Tax.pdf

SD Use Tax Form and instruction <https://state.sd.us/eforms/secure/eforms/E1350V10-UseTaxForm.pdf>

Use Tax Rate Finder by Address <https://apps.sd.gov/rv25taxmatch/main.aspx>



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WHAT CAN I DO TO ENHANCE THE FUTURE VALUE OF MY COMPANY?

ERICKA HEISER, MBA, CVA, SENIOR MANAGER

As discussed throughout this series, most of us are so busy focusing on what needs to be done today that we forget to raise our heads to look forward to next month, next year, or five years down the road. However, to ensure continued success of your business, forward-looking planning is imperative. One area to consider is how to significantly increase the future worth of your company. There are a number of ways to work towards an increased value.

- **Purchasing new equipment to increase efficiencies.** Purchasing new equipment can either be a good management decision, or a bad one. For example, if a new pickup is purchased simply because the owner wants to look cool, that might not be the best reason. Conversely, if a new machine is purchased because it will increase efficiency and reduce maintenance costs, it is most likely worth the money.

- **Hiring talent at a greater salary to better manage staff and/or operations.** Paying the price to hire one talented, passionate and hard-working employee is always better than hiring two mediocre employees at a lower wage.

- **Requiring key employees to sign non-compete agreements.** No business owner wants to work to build a team of professionals just to have them walk away and form

their own business or be gobbled up by a competitor. Requiring a non-compete agreement is a good “insurance policy” on retaining good employees who both generate revenues and have valuable relationships with key customers. Most important, buyers will pay more for your business if they have assurance your staff won’t commit mutiny immediately after the purchase.

- **Securing long-term contracts that are transferrable to a buyer (new owner).** Having transferrable signed contracts in place with key customers increases the value of a company. Contracts that can be transferred to a buyer (new owner) translate to cash flows. The value of such contracts drastically increases when the contract is good for multiple years.

- **Managing debt levels.** Sometimes it is necessary to spend more to make more. However, ensuring that your company does not get over-extended is vital to continued success. Should your company experience a one-year downturn for unforeseen reasons, making bank payments and fulfilling operational responsibilities may be nearly impossible if your debt levels are too high.

- **Managing risk.** Being mindful of potential lawsuits and operational risks is necessary to



*Ericka Heiser,
MBA, CVA, Senior Manager*

attempt to ward off major risks. Unfortunately, preparing for the worst is an important part of managing a company.

- **Quality.** Producing consistent high quality products and services is paramount to building the goodwill of your business. Especially with today’s social media, news of small slip-ups in quality can be spread like wildfire.

Do you or your clients have Business valuation questions or concerns? Contact me today.



**Join the
conversation
online.**

TAX PLANNING AND STRATEGIES FOR 2017

KIA SMITH, CPA, SENIOR ASSOCIATE, QUICKBOOKS PROADVISOR

The roar of the Sturgis Rally motorcycles has turned into a distant hum and the summer tourism is slowing down in the Black Hills; now is a great time to start working on tax planning and strategies for 2017. To get started you should consider some things first. Are your business books updated and reconciled? Do you have a list, folders or a file on your computer of paperwork for your 2017 tax return? By having these items available we can help set and achieve future tax goals. Everyone would like to save some money, right?

Why is proper tax planning so important to achieve future goals.

- Reduce the current year's tax liability or deferral to future years.
- Reduce any potential future years' tax liabilities.
- Maximize the tax savings from allowable deductions.
- Minimize capital gain.
- Avoid penalties for underpayment of estimated taxes.
- Increase availability of cash for investment, business or personal needs by deferring your tax liability.
- Manage your cash flow by projecting when tax payments will be required.
- Maximize the amount of wealth that stays in your family.
- Maximize the amount of money you will have available to fund your children's education as well as your retirement.

Here are some of the ways to achieve these goals

Retirement Plans Contribution Limits

- Employee deferrals to 401(k), 403(b), qualified 457 and other qualified plans remain unchanged in 2017 at \$18,000, with a 50 and older catch-up of \$6,000.
- Traditional and Roth IRA limits remain at \$5,500 with a \$1,000 catch-up and SIMPLE IRAs remain at \$12,500 with a \$3,000 catch-up subject to phase out amounts. SEP IRAs increased to \$54,000 (from \$53,000 in 2016).

Making required minimum distributions

Individuals age 70 ½ or older who have a traditional IRA or other qualified retirement plans are subject to Required Minimum Distributions (RMDs). Individuals who do not take the appropriate RMD from their qualified plans may be assessed a penalty of 50% of the distribution amount that was not taken. If you are considering converting an IRA to a Roth IRA, it is important to take your RMD before converting.

W-2 Federal Withholding

When you withhold too much federal withholding from your paycheck you are giving Uncle Sam an interest-free loan on your money. Some reasons to change your W-4 withholding could be your spouse changes or gets a job, you were unemployed part of the year, you get a second job, you get married, get



Kia Smith, CPA, Senior Associate, QuickBooks ProAdvisor

divorced, have a baby or adopt.

Sale of Investments Over Multiple Years

"Fill Up" The 15% Bracket: Consider taking advantage of the 0% long-term capital gains rate (for those within the 15% marginal tax bracket) by realizing enough gains to "fill up" the 15% bracket and spreading the sale of investments over multiple years. This could save you from realizing all of your gains in one year and paying 15% - 23.8% in taxes.

Income Deferrals and Deductions

Determine if income deferral or deductions/credit acceleration could be beneficial in the future or will help reduce your tax bill. When considering whether to accelerate or defer items of income, some of the following strategies could be beneficial.

Income Deferral:

- Hold off sending billings and collections in 2017 (if you are using the cash basis of accounting)

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- Receive bonuses earned for 2017 in 2018 (for cash basis taxpayers only)
- Sell appreciated assets in 2018
- Delay Roth conversions to 2018
- Minimize retirement distributions
- Execute like-kind exchange transactions

Deductions/Credit Acceleration:

- Bunch itemized deductions into 2017
- Accelerate bill payments into 2017 (for cash basis taxpayers only)
- Pay 2017 property taxes in 2017 instead of 2018
- Contribute to a Retirement Plan
- Accelerate charitable giving

Business Equipment Depreciation

The amount allowable under the direct write off Section 179 election for items placed in service between January 1, 2017 and December 31, 2017 is \$510,000 if total property placed in service does not exceed \$2,010,000. The 50% bonus depreciation is available for 2017 on new equipment and on Qualified Improvement Property, however, 50% bonus depreciation is no longer available on Qualified Leasehold Improvements.

Estate tax exemption

Individuals are each entitled to an estate tax exemption of \$5,490,000 for 2017 which can be

used after their deaths to protect that amount from estate tax. If a decedent leaves all property to their spouse, there may be no estate tax (due to the marital deduction).

Family Help

A child employed by his or her parents in a trade or business under the age of 18 is not subject to Social Security and Medicare taxes if the business is a sole proprietorship, LLC or partnership. Are you interested in finding out about tax planning specific to your needs? If so, contact Ketel Thorstenson for assistance.

BANK FEEDS IN QUICKBOOKS ONLINE

JESSI BEESON, ASSOCIATE, QUICKBOOKS PROADVISOR

One of the benefits of QuickBooks Online (QBO) is the ability to connect bank accounts to your QBO account. First, click on Accounting in the Sidebar and create an asset account for the bank account to be connected. Then, click on the Banking button in the Sidebar. Next, either click on the bank's logo or search for the name in the search bar. Then, enter your bank log-in information. QBO has a default to download the last 90 days of transactions. If you need to change the number of days, do so from the next screen when you select the account type. Finally, select the desired bank account from the chart of accounts and click on the green button.

Now after clicking on the

Banking button in the Sidebar, you should see transactions in the Review tab. These are the transactions that QBO downloaded, but doesn't know what expense accounts to put them into. You can create Bank Rules if every transaction containing certain words goes to the same expense account every time. For example, if every transaction containing the word "shell" in the bank text was to go to the Fuel account, you could create that rule and set QBO to automatically add those transactions for you. If some of the transactions containing the word "shell" are going to the Fuel expense account and others are going to the Travel expense account, this rule may not save you time. Instead, you would need to



*Jessi Beeson, Associate,
QuickBooks Pro-Advisor*

manually add each transaction.

Click on a transaction to set it to either add, match, or transfer. To add, simply choose the payee and expense/cost of goods account that the transaction belongs to. You can

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(Bank Feeds in QuickBooks Online continued from page 9)

click on the Split button to divide the total expense between multiple accounts. When you are done assigning the transaction, click on the green Add button. You will see that the transaction moved from For Review to In QuickBooks.

If you enter and pay your bills or invoice your customers and receive payments within QBO, you will want to match the bank

feeds to your transactions. This will prevent the expenses and income from being duplicated in your books. Deposits can easily be matched to multiple payments received in QBO by clicking on the Split button and entering the Payee and income accounts before adding the transaction.

When a bank feed transaction is a transfer between asset, liability, or

equity accounts, you may choose to transfer the transaction instead of add. This works well for credit card or loan payments. Click on transfer and select the liability account to apply the payment towards.

For more information or help, contact the QuickBooks ProAdvisors at Ketel Thorstenson at 605-348-5630.

PAYROLL REPORTING FOR DECEASED EMPLOYEES

KELLI KABRUD, ASSOCIATE

In the last Ketel Thorstenson newsletter, Denise Webster, CPA, PFS and Managing Partner wrote about the income tax filing requirements when someone passes away. What some employers might not know is that there are also special filing requirements in regards to the final paycheck of an employee who passes away during their employment. The taxability of their final wages depends on the date of death and the date of the last payroll check.

Wages that are paid after a death include all time worked, plus any accrued vacation time owed to the employee if that is the company's policy. Since the Fair Labor Standards Act (FLSA) does not require employers to pay vacation, sick, holiday or other pay for time not actually worked, be sure to follow your company's handbook and employment contracts when issuing a final paycheck to the deceased.

If the final paycheck that is owed to the deceased employee will be in the same year as the employee's death (i.e. > if they passed away on November 30, 2016, but the final payroll check will be dated December 15, 2016) those paycheck wages are exempt from Federal Withholding, but are taxable for Social Security, Medicare and Federal Unemployment.

If the final paycheck that is owed to the deceased employee will be in the year following the date of death (i.e. > if they passed on December 31, 2016, but the final payroll check will be dated January 15, 2017) those paycheck wages are exempt from Federal Withholding, Social Security, Medicare and Federal Unemployment. If accounting software is used, it is easiest to prepare a vendor check instead of a payroll check. In this instance there will not be a W-2 issued.

In both instances, State Unemployment varies and



Kelli Kabrud,
Associate

the state guidelines should be referenced for proper reporting.

In addition, the IRS requires a 1099 to be issued to the estate or trust of the deceased employee. According to the IRS, "Whether the payment is made in the year of death or after the year of death, you also must report it in box 3 of Form 1099-MISC, Miscellaneous Income, for the payment to the estate or beneficiary." Therefore, if

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(Payroll Reporting for Deceased Employees continued from page 10)

the final paycheck date is in the year of death, the employee will receive a W-2 for the whole year's wages and the estate will receive a 1099 for the portion of wages paid on the last paycheck. If the paycheck date is in the following year, only a 1099 to the estate is needed. In

Webster's article mentioned earlier, she explains that an estate is set-up after the death if the decedent's assets are not titled in a trust.

As stated above, there are some unique reporting items when a tragedy like this happens. To

report the payroll taxes correctly on the final payroll and the W-2, you may have to set up a new payroll item. Please don't hesitate to contact the KTLRP accounting services department for assistance.

Summary						
Final Payroll Check Date	Federal Withholding	Social Security & Medicare	Federal Unemployment	State Unemployment	W-2 Reporting	1099 MISC
Same year as employee's death	Exempt	Taxable	Taxable	Varies by State	Yes	Box 3
Year after employee's death	Exempt	Exempt	Exempt	Varies by State	No	Box 3

KT News

**We can't do what we do without the help of a GREAT TEAM.
Meet some of them.**

NEW STAFF



Renee Andrzejewski
*Administrative Assistant,
Audit Department*



Jordan Kadlec
*Associate,
Audit Department*



Kimberly Beck
*Associate,
Accounting Services Department*

CPA EXAM PASSED



Billy Jons
*Associate,
Audit Department*

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SAVE THE DATE RETIREMENT OPEN HOUSE



for Pete Bergman
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Rapid City

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*The partners of
Ketel Thorstenson, LLP*



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