

J Leif Jensen and Associates

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Mid-Year Tax Check in: Is Your S Corp on Track?

With the second half of the year underway, now is the perfect time to make sure your tax strategy is keeping pace with your business. This month, we're highlighting two important topics every S corporation owner should understand: shareholder basis and reasonable compensation. Taking a proactive approach now can help protect valuable tax benefits, avoid costly surprises, and position your business for a successful year-end.

At Leif Jensen & Associates, we're here to help you make informed financial decisions all year long.

Tips, Information & Stories

S Corporation Owner Basic Limitations



S corporation shareholders encounter particular restrictions on the amount of losses and deductions they are permitted to claim on their individual income tax returns. These constraints are primarily governed by the concept of basis, which represents a shareholder's financial stake in the S corporation, encompassing both stock basis and, where applicable...

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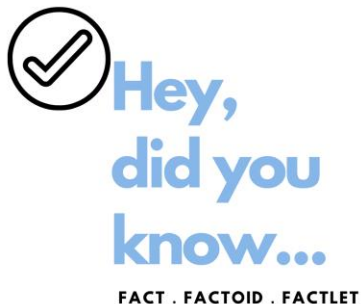
S-Corp Reasonable Compensation: Understanding the Basics

For S corporation (S corp) owners who are actively involved in their business operations, paying themselves a “reasonable salary” for the work performed is a requirement. This required salary must be treated as standard wages, meaning it is subject to federal employment taxes (including Social Security, Medicare, and unemployment) and reported on the owner’s W-2 form.



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Interesting Tidbits



People have sued over the "In God We Trust" Motto on Currency.

The motto “In God We Trust” hasn’t always been a staple on U.S. currency. It wasn’t until 1957 that it first appeared on paper bills, but it has appeared on the penny since 1909, the dime since 1916 and all full-, half- and quarter-dollar coins since 1908.

However, the motto isn’t appreciated by all. Kenneth Mayle, a self-described satanist from Chicago, filed a federal lawsuit in May 2017 that claimed the implicit religious message behind the motto violated his rights. A judge threw out the case, and then Mayle lost his appeal with the 7th Circuit Court of U.S. Appeals.



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