

New year means new tax code tweaks

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From new rules on business meals to “green” incentives, tax codes are getting a lot of tweaks in 2023. We spoke with some experts to find out what they are and how business owners can prepare.

Excerpt:



Sheilds

...And the small business retirement landscape continues to change, according to Lee Shields, Marcum LLP's office managing partner and partner-in-charge, Tax Services for Marlton and Northfield. “Business owners, for example, may be able to utilize a solo 401(k) plan that can enable them to shield up to \$22,500 in 2023,” he said. “If they’re 50 or older, they may be able to make an additional ‘catch-up contribution’ of \$7,500 in 2023.”

Businesses with 100 or fewer employees may also consider a SIMPLE-IRA, which enables employees to contribute up to \$15,500 for 2023 (\$19,000 if they’re 50 or older),” he added. “There are other small-business plans available, including a Simplified Employee Pension IRA (SEP IRA) and safe harbor 401(k), and each has its own benefits and restrictions, so a business owner should consult with their CPA or other adviser to review.”

Sheilds said his firm occasionally gets inquiries about the ability of a retirement plan to invest in so-called “alternative investments,” where funds are used to purchase assets like gold, precious metals and even business opportunities. “While some self-directed

plans may allow these options, the rules need to be carefully reviewed and followed,” he explained. “Regardless of the specifics of the plan or the investments, having some sort of plan in place can be a great way for a business owner to reduce their current taxes while taking steps to build and grow a nest egg for when they do retire.”