

**LI People
ON THE MOVE**

TECHNOLOGY

Contemporary Computer Services in Bohemia has two new hires.



George Chanady of Centereach, a senior sales engineer, was senior cloud solutions architect at WebHouse Inc. in Garden City.



Isaiah Wesson of Middle Island, an account manager, was in sales at Eastern Industrial Automation in Islandia.

REAL ESTATE

Signature Premier Properties has some new hires.



Fazia Ram-sawak of Syosset, hired in Syosset, was with Better Homes and Gardens in Huntington.



Nancy McConnin of Massapequa, hired in Massapequa Park, was with Century 21 American Homes in Oceanside.



Dawn Tagliagambe of Long Beach, hired in Rockville Centre, was with Douglas Elliman in Oceanside.



Garnet Ardila of Oceanside, a sales agent in Rockville Centre, was with Douglas Elliman in Franklin Square.



Barbara Touhamy of Dix Hills, an associate broker in Dix Hills, was with Platinum Properties of Long Island in Melville.

Melville.

Coldwell Banker Residential Brokerage has some new sales agents.



Justyn Ceruti of Shoreham, hired in Mount Sinai, is president of Justyn Connor Design in Shoreham.



Christine Joyce of Shoreham, hired in Mount Sinai, was with Coldwell Banker M&D Good Life in Wading River.



Vanessa Vargas of Shirley, hired in Ronkonkoma, is a program manager at Developmental Disabilities Institute Inc. in Smithtown.



Geoffrey Wells of Riverhead, hired in Ronkonkoma, is an electrical mechanic at Brico Electric Inc. in Ronkonkoma.



Bably Batra of Hicksville, hired in Syosset, was a part-time teller at Capital One Bank in Levittown.



Lawrence Gordon of Oceanside, hired in Syosset, was a landscape consultant for design and installations at Gordon Company in Oceanside.

Sheikh Farooq of Mastic, hired in Ronkonkoma, was with Peluso Realty Corp. in Islip Terrace. — DIANE DANIELS

Small businesses facing uncertain tax-law impact

The Associated Press

Five months after massive federal tax changes became law, many small-business owners still don't know whether they'll be winners or losers.

Mike Kaeding would like to know how his real estate development and management company will be affected by two big changes — one potentially affecting the deductibility of business meals, and the other providing a 20 percent income deduction for many owners of what are called pass-through businesses.

Big corporations already know their tax rates are falling, and all businesses can get bigger deductions for equipment purchases. But small-business owners and tax advisers are still waiting for the IRS to write regulations and guidelines explaining and enforcing many parts of the law that is itself more than 500 pages long.

"We have a high level of uncertainty and that makes it difficult," says Kaeding, president of Norhart in Forest Lake, Minnesota. "All the time we spend understanding the tax system does not help our customers."

The American Institute of Certified Public Accountants, a professional group, has asked the IRS to expedite regulations on business meals and the 20 percent deduction. Ken Rubin, a CPA with Ruben Brown in St. Louis, says clients have been asking his opinion about what is and isn't deductible.

"These are unclear, significant items that small businesses are worried about," says Rubin, who is also a member of the AICPA's tax executive committee.

Small corporations structured like General Motors or Apple know they'll have a 21 percent tax rate, compared with a previous range of 15 percent to 35 percent — the same change the big companies are getting.

But a survey of 603 owners taken in early April by Wells Fargo and Gallup showed many owners were still in the dark. Thirty-nine percent said they don't know how the law will affect their companies. A third said it had already helped their companies or would do so, and 27 percent didn't expect it to benefit their businesses.



Minnesota-based real estate developer and manager Mike Kaeding would like to know how his businesses will be affected by tax changes.

39%

■ **Percentage of owners** who said they don't know how the new tax law will affect their companies
SOURCE: Wells Fargo/Gallup survey

Pass-through ambiguity

For owners of pass-through businesses — sole proprietors, partners and owners of companies structured as S corporations — the uncertainty around the 20 percent deduction comes from the list of ways they could be disqualified. For these companies, the business income is "passed through" to the owners' 1040 forms, and they pay tax based on individual rather than corporate rates.

Certain business owners like lawyers, accountants, doctors and consultants won't qualify for the full deduction unless their taxable income is below \$157,500 for single filers or \$315,000 for joint filers, and the amount of the deduction will decline as taxpayers' incomes rise. The same goes for business coaches, public speakers, therapists — according to the law, any trade or business whose principal asset "is the reputation or skill of one or more of its employees." But the IRS has yet to weigh in on a number of

issues, including the calculations businesses must make to determine the income that can qualify for the deduction.

Some deductions in limbo

Ted Ma of Point Richmond, California, who has two businesses, one as a public speaker and the other in sales, says he's in limbo.

He said the lack of clear information to determine exactly what applies to his situation has been frustrating. He's not sure whether he's overpaying or underpaying his quarterly estimated tax payments. He also wonders as he takes prospective clients and customers out for meals whether he'll be able to deduct them. "The meal is a major part of how I do business," he says.

Under the new tax law, businesses can no longer deduct expenses related to entertaining clients and prospects. That calls into question whether business-related meals are still 50 percent deductible, since they could be considered entertainment.

The uncertainty as the IRS writes the regulations could last into 2019 and beyond. "Regulation projects can range from months to years," says Steve Rosenthal, a senior fellow at the Urban-Brookings Tax Policy Center.

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