

EAGA Business Builder

Volume 14

Issue 20

eaganm.com

May 15, 2018

Today's speaker was Scott Peck—MP Group



In this morning's presentation, Scott didn't spend much (not any) time on his background or personal adventures. Most likely it is not that a Witness Protection Program prohibits it, but more that he knew the presentation topic would take more than the allocated time. It is still interesting to know a little bit about Mr. Peck though. From a prior presentation, when time was not as pressing, we know that Scott grew up in Washington; started his higher education in search of a Chemical Engineering degree but soon diverted to Accounting; received a BBA Degree in that field; then earned his CPA certification in 1992. He has some experience in micro-encoding, and a little

experience with some .com things before the internet was popular; and he has a substantial amount of experience in CPA work. These days, Mr. Peck is a shareholder of the MP Group, Inc CPA firm. Being a quality CPA, and a numbers loving kind of guy, Scott has amassed a substantial amount of knowledge about the new tax law...and his presentation today was all about that. The legislation was signed December 21, 2017, but some portions have different effective dates. The legislators that voted in favor, promoted the law as being a substantially simplified, and more beneficial, version of the good-ol' U.S. revenue generating regulations. One Senator even declared that folks will now be able to file their tax return on a postcard. Those of us grown up in the room, actually understand a couple of things: 1) It is the government—they never make anything exactly simple. 2) A standard sized post card is 5.8" x 4.1". The only tax information that can be legibly filed via a postcard, is your name and bank account information so that the IRS knows where to get all your money. In reality, the regulations are less complicated in some places, but there are still some complex provisions remaining. Whether any of the new law is actually beneficial is in the eye of the beholder. Here are a few of the items discussed in Scott's presentation, divided into business and personal sections. Business section: Rules pertinent to pass-through income (from partnerships, S-Corps, some LLCs) provide a 20% credit of QBI (Qualified Business Income). This is one of the not-so-simple regs. There is a limit to the credit; there are exclusions to types of entities that qualify for the BQI classification. Like-Kind Exchanges are now limited to property only transactions. Section 179 expense limit has been expanded to \$1 million, after 2018. NOL (Net Operating Loss) can no longer be carried backward; only forward. The corporate tax rate is now a flat 21%. Interest Expense is now limited to 30% of income. Bonus Depreciation is 100%, without limitations...but it changes in 2022 and ends in 2025. Requirements for Accrual Basis accounting have changed to be optional if income is less than \$25 million (previously \$5million). The new regulations regarding deduction for the cost of luxury vehicles has increased to \$10K the first year; \$16K in year 2; \$9600 in year 3; and \$5760 per year thereafter. It may now be more beneficial to purchase than lease. Personal section: There are still 7 brackets, but the rates have been reduced for all of them, except for the 1st (10%) and the 6th (35%). Highest rate is now 37%. The standard deduction has been substantially increased to \$24K. Personal exemptions are gone. Some of the miscellaneous, previously deductible expenses (like moving costs and casualty losses) are no longer deductible. There are some tax advantages to Section 529 plans, and some additional educational institutions that are applicable for use of the funds. Kiddie Tax changes too. Starting with 2018 earnings, the tax rate will be that of trusts and estates (no longer at the parent's rate). The Child Tax Credit has increased from \$1,000 to \$2,000. The deduction for non-child dependents is \$500. Medical Expense deductible threshold is down to 7% of income, but don't forget that New Mexico still doesn't have that limit, and allows some deduction for all valid medical expenses, included assisted living - so long as a federal tax return has been filed. Property taxes are still deductible, as are State Income tax...but with a big but (only one 't') limit...But those taxes, along with other similar ones, are grouped and capped, as a total, to \$10K. As is pretty obvious that this summary makes things as clear as mud, and that there are a lot more details to be explained about the [Tax Cuts and Job Creation Act of 2017](#). And you can bet that very many of the tax law changes will apply to your income, as well as that of your business. It is important for you to become familiar with everything that pertains to your situation, and getting that done sooner will be substantially more beneficial than later. Most of us (Warren Buffet excluded) know that the government already gets more than it really needs, so there is no reason to over-contribute to the tax coffers. Scott Peck, CPA is a wealth of knowledge, experience and concern. If you haven't already done so, contact Scott at 505-340-2015. He can get you information and assistance...now, so that 2018 ends with the best possible tax scenario for you, your family and your company. If you get a break in the learning conversation, you may want to ask Scott if he ever finished his '68 Camaro restoration project. Based on pictures he provided during his presentation a few years ago, 5 years may not have been enough time to get it done, particularly with all the overtime needed to figure out those new tax regs.

Business Leads:

None noted

Reciprocity:

Thank you to Frank McCallister, Color New Mexico. His crew painted a large house for a client / friend; inside and outside. The homeowner was very pleased with the work and his price was very good.

John Menicucci—Berger Briggs

◆ Please note that there will not be a meeting on May 29th because of the Memorial Day Holiday.

- ◆ The new paper version EAGA Directory will be printed soon. The working copy of our new paper directory went missing during our last meeting. If you made changes in that document, or if you need to make changes to your current listing, please contact Steve Douglas (steve@dpsnm.com) or Exec Director Kevin.
- ◆ There will be four Board positions opening up in July. If you have someone that you would like to nominate, please contact Rick Reese—blueristra.@yahoo.com, Executive Director Kevin, or President Soren, as soon as possible.
- ◆ The Summer Bash Committee is forming now. Being on that committee is a great way to get to know other members. Participation by wives / significant others is also suggested. It is a great way for them to also get to know others. The first meeting will be this coming Wednesday, May 23rd, at 6:00pm at the home of Jay & Kathy Weingardt; 6000 Bear Grass Court NE. Food will be provided, so if you plan to attend, please make sure to contact either of the committee chairmen, Pat Maloy (505-263-3737) or Dan Mowery (505-480-8526). As noted it is a B.Y.O.S. (bring your own spouse / significant other) event.
- ◆ Thank you to Rio Bravo Brewing. Great venue for our recent EAGA social event. A good time was had by all.
- ◆ The 2018 Golf Outing was a successful event, if you don't count the extreme winds.

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* See all the Leader Board standings and Skins Game winners on the following page.

Badge Board Greeters

May 22nd	Raul Rodriguez—Kings of Wrap
May 29th	No Meeting—Memorial Day Holiday
June 5th	John Mead—John Thomas Jewelers
June 12th	Paul Jew—Moji Studios
June 19th	Mark Tobiasen—Action Coach Business Coaching

Upcoming Speakers

May 22nd	Adam Tafoya—New York Life
May 29th	No Meeting—Memorial Day Holiday
June 5th	
June 12th	
June 19th	Guest Speaker

Contact information for Executive Director: Kevin Lorenzen
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EAGA

Round 1 Leaderboard



Low Gross Scramble Foursome v. Field

Pos.	Foursome	To Par Gross	Total Gross
1	Paul Hana + Gary Socha + Grant Dow + Cody Hanna	-9	63
2	Phil Houser + Scott Lardner + Michael Blomker + Jay Weingardt	-8	64
T3	David Urioste + Lawrence Padilla + Joe Garcia + Juan Urioste	-6	66
T3	Robert Kouger + Scott Gonzales + Stephanie Costales + Dan Costales	-6	66
5	Mike Skolnick + Joe Kirkpatrick + Jerry Becker + Jeff Long	-4	68
6	Jimmy Nugent + Chris Long + Tom McMahon + Spensor Feix	-1	71
7	Jim Asperger + John T. Mead + Lucas Romero + Danny Nevarez	E	72
T8	Leon Marler + Mike Sei + Mike Caldwell + Lou Rodgers	+1	73
T8	Rick Reese + Tom Keleher + Pat Maloy + Kit Turpin	+1	73
T8	Mario Hernandez + David Rodriguez + Stan Bvars + Stu Gorelick	+1	73
11	Jukka Jumisko + Casey Cole + Greg Sanford + Erika Anderson	+3	75
12	Paul Losey + Phil Kenny + Paul Jew + Soren Thompson	+5	77
13	Kevin Lorenzen + Andrew Sanchez + Michael Predika + Luis Alvidrez	+8	80
NS	David Dworsky + Josh Player 2 + Garrett Player 3 + Guy Berger	-	NS

Basic SkinsGross Scramble Foursome v. Field

Foursome	Skins	Purse	Details
Phil Houser + Scott Lardner + Michael Blomker + Jay Weingardt	2	\$300.00	Birdie on 2, Birdie on 11
Paul Hana + Gary Socha + Grant Dow + Cody Hanna	2	\$300.00	Birdie on 9, Birdie on 15

Total Purse Allocated: \$600.00