

REPAIR REGULATIONS

What You Need to Know

In September 2013, the IRS released new rules governing repairs, supplies and buying assets.

The Bad News

The regulations are already effective as of January 1, 2014, and all taxpayers must comply.

The Good News

The IRS provided benefits for the small taxpayers in the new rules. Some of the biggest highlights are:

- Items costing \$200 or less are considered supplies and are typically immediately deductible.

- There are several safe harbors available where the IRS will assume what you spent on repairs will not have to be capitalized on the books and generally won't challenge you.
- Taxpayers will be allowed to deduct the remaining basis when performing improvements. If you pay for a new roof, you can receive a tax benefit out of this.

The IRS expects this law to impact over 4 million taxpayers. Elections, certain forms and policies either must be filed or created before this year is over. If you're interested in these opportunities, please contact me to set-up an appointment and discuss these new laws.

