

# MACC Mid-Year Social

Please join your fellow MACC students and faculty at Legion Brewing on Friday, on January 20<sup>th</sup> from 4:00 pm-6:00pm. Legion is located in the Plaza Midwood area, features a great selection of craft beers, and is a great place to gather. Directions are at <http://www.legionbrewing.com/>



*Why you should come:*

- 1. Classes just started! It's only going to get busier*
- 2. You always need to have a little fun!*
- 3. It's a chance to check out one of Charlotte's coolest new venues.*
- 4. Brewery tours available for the curious.*
- 5. We'll be serving a selection of drinks and great food.*

RSVP to [sgomes2@uncc.edu](mailto:sgomes2@uncc.edu) let us know you are coming.



		All Cases: GAAP Accounting Method is Accrual Basis	Recognize Revenue or Expense			
		All Cases: Amount of Revenue or Expense: \$6,000.	GAAP		Tax Return	
Pg.	Date	Some shaded cells should be left blank.	2016	2017	2016	2017
		<b>Cash Basis Tax Return</b>				
		<b>Revenue</b>				
17		Cash basis taxpayer recognizes income (reports income on return) when cash is actually (or constructively) received. That is true whether the taxpayer receives the cash in the year before the service is provided, in the year that the service is provided, or in a later year.				
17	12/15/16	On 12/15/16, Moving company received payment. <b>Revenue:</b>				
	1/15/17	On 1/15/17, Moving company moved household furniture for customer, who was transferred to another city.				
		<b>Expense.</b> Reg. 1.263(a)-4(f)				
18	7/1/16	Paid rent. Rental Period: 7/1/16 - 6/30/17. <b>Expense:</b>				
18	7/1/16	Paid rent. Rental Period: 7/1/16 - 6/30/18. <b>Expense:</b>				

		<b>Accrual Basis Tax Return</b>				
		<b>Revenue.</b> Rev.Proc. 2004-34, Reg. 1.451-5				
19	12/15/16	On 12/15/16, Moving company moved household furniture for an individual who was transferred to another city.				
	1/15/17	Company received payment on 1/15/17. <b>Revenue:</b>				
19+	7/1/16	Rent received. Rental Period: 7/1/16 - 6/30/17. <b>Revenue:</b>				
20	7/1/16	Received payment for pest control services. Service Period: 7/1/16 – 6/30/17. <b>Revenue:</b>				
20	7/1/16	Received payment for pest control services. Service Period: 7/1/16 – 6/30/18. <b>Revenue:</b>				
		<b>Expense.</b> Reg. 1.263(a)-4(f)				
25	7/1/16	Paid Rent Exp. Period covered: 7/1/16 - 6/30/17 <b>Expense:</b>				
25	12/31/16	Paid Janitorial Company for cleaning services. Service Period: 1/1/17 – 3/30/17. <b>Expense:</b>				
25	1/31/17	Paid Janitorial Company for cleaning services. Service Period: 10/01/16 – 12/31/17. <b>Expense:</b>				
27	2016	Credit sales in first year (2016): \$400,000. <b>Revenue:</b>				
		Expect bad debts of \$6,000 on 2016 credit sales. (Write-off-2016: \$2,000) (Write-off-2017: \$4,000) <b>Expense:</b>				
27	2016	Gross sales in first year (2016): \$400,000. <b>Revenue:</b>				
		Forecast warranty repair costs of \$6,000 for 2016 sales. (\$0 in 2016, \$1,000 in 2017, \$5,000 in 2018) <b>Expense:</b>				

This page ignores the recurring item exception.

Warranty deductions: Regulation 1.461-4

### Rules for Maximum Depreciation for Assets Acquired in 2016

Asset	Method	Life	Convention
<b>Warehouse (non-residential realty)</b>			
<b>Residential rental property</b>			
<b>Equipment - general rule</b>			
<b>Equipment - special rule</b>			
When 40% or more of applicable depreciable assets acquired in last quarter of tax year.			
<b>Business Auto</b>			
used for travel and transportation			
Special rule: depreciation is limited by Section 280F to \$2,560 (as adjusted for inflation) in first year.			
Amount is \$3,160 for 2016			
A bonus depreciation deduction is available at the rate of 50% of qualifying assets purchased in the year (generally for assets other than real estate).			
An extra section 179 depreciation deduction is available for some taxpayers.			
Taxpayers have the option to choose less depreciation in some cases.			