

## Tax Planning Checklist for New Law Firm Partners

As a new partner or shareholder in a law firm, understanding the intricacies of tax planning is essential for optimizing your financial position and ensuring compliance with relevant regulations. In addressing the unique tax considerations faced by law firm partners, utilize this Tax Planning Checklist to help navigate the complex landscape and maximize your tax benefits.

### 1 REVIEWING PARTNERSHIP/CORPORATE DOCUMENTS & FINANCIAL ISSUES

Review partnership agreement or corporate operating document.

Determine how compensation will be paid throughout the year (distributions, year-end payroll bonuses).

Will a distribution/payroll bonus be made specifically to provide funds for taxes?

Will capital contributions be required to be made into the firm? If so, under what circumstances?

When will financial information be provided with which to calculate estimated tax payments/extensions?

Develop a personal cash management plan so funds are available to make tax payments.

If needed, arrange to meet with a tax accountant for tax planning and preparation.

### 2 TAX ISSUES RELATING TO PARTNERSHIPS, LLCs & S CORPORATIONS

Gather information needed to calculate quarterly estimated tax payments (due 4/15, 6/15, 9/15 and 1/15 of the following year).

Decide whether to calculate your tax payments using prior year or current year tax computations.

Will nonresident state tax payments and/or pass-through entity tax payments be made on your behalf?

Will the firm provide you the opportunity to "opt-in" to a composite filing?

When will the firm provide you with the financial information to calculate estimated taxes?

### 3 TAX ISSUES RELATED TO CORPORATIONS

Inquire as to the timing of when you will be receiving your bonus payroll distribution.

Calculate the amount of tax withholdings on bonus payroll.

Calculate the amount of any deferred benefits (such as 401(k) plan contributions).