Drive Ahead Confidently With Prestolite

Small business investment intentions have demonstrated falling trends during the first half of 2019, according to the Small Business Capital Expenditure Index. This index is unique, as it is derived from survey data of small business owners, which highlight a significant decline in small business capital expenditures. The raw data for this series peaked at 61.0% in December 2018 and has since declined to 58.0% available data. This indicates waning small business capital investment plans during the first four months of this year. However, starting in September and lasting through the end of last year, capital expenditure plans by small businesses exhibited by small businesses during that time. For the following nine months, the year-over-year comparison declined, cyclical peak in November of 2017, with a year-over-year growth rate of 10.9%. This highlights the optimism for the future and the realization of the cyclical downturn in the US industrial economy in the first half of 2020. It underscores the need for small businesses to shift their mindsets and their actions to reflect the reality of being on the back side of the business cycle.

The Impact of U.S. Tax Reform on Small Business

One important component of last year’s tax reform received relatively little attention, even though it affected a great deal of small businesses and individuals in America. This critical piece focuses on qualified business income (QBI) deductions. QBI is income derived from a pass-through entity, which is a business that “passes through” all or most of its income to the owners of the business. Firms that qualify for the deduction include all pass-through businesses with incomes below $157,500 for those who file taxes as individuals, or $315,000 for those who file jointly. Many sole proprietorships, S corporations, and partnerships, as well as some trusts and estates, meet these criteria. Business owners are subject to restricted or lesser benefits from the deduction when their incomes exceed the $157,500/$315,000 threshold. For qualified publicly traded partnerships (PTPs) income, QBI is subject to a 20% tax rate with respect to the aggregate QBI with respect to all PTPs. This rate is lower than the rate applicable to ordinary income, which is typically subject to a 21% rate. This rate is lower than the rate applicable to ordinary income, which is typically subject to a 21% rate.

One of the significant advantages of QBI deductions is that they provide a lower effective tax rate for pass-through businesses, which can help reduce the tax burden on small businesses. Small businesses that are subject to the QBI deduction can receive substantial benefits from this deduction, as it can reduce their overall tax liability. This deduction can also help small businesses become more competitive with larger businesses that are subject to a lower corporate income tax rate.

Small businesses and individuals in America can also benefit from the QBI deduction by reducing their overall tax liability. This deduction can provide substantial benefits to small businesses and individuals in America, and it is worth considering if you are a small business owner or individual who qualify for this deduction.

The defense sector has benefited over the last several quarters from rapid growth in the aircraft segment. US defense spending likely to be flat in second half of 2019. New orders likely to decline in latter half of 2019 into 2020. Nondefense capital goods new orders up 5.2% from year-ago.