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2/15

- Payroll tax deposit due if liability is over \$2500

2/20

- Presidents' Day (Banking Holiday)
SBG will be open



2/21

- Sales tax reports due

Don't FORGET! **File your Annual Report to renew your Corp or LLC before May 1st!**

Before 5/1, it will be \$150.
After 5/2, it will cost you \$550.
After 9/2, it will be \$700 (includes a re-instatement fee which cannot be waived)



Payroll Taxes: Tax Relief ... for now



Just when it looked darkest, Congress revived a tax break for employees, at least for the short term.

Alert: New legislation enacted late in 2011 temporarily extends the "payroll tax holiday" for two more months. And Congress is already working on an extension for the remainder of 2012.

The President signed the "Temporary Payroll Tax Cut Continuation Act" into law on 12/23/11. Without the extension, employees would be paying an additional 2% payroll tax on wages received through 2/29/12.

Here's the whole story: Both employees and employers must pay a 6.2% Social Security payroll tax on wages up to an annual wage ceiling. The wage ceiling for 2012 is \$110,110 (up from \$106,800 for 2011). The 1.45% Medicare tax payroll tax applies to all wages.

The 2010 Tax Relief Act provided a one-year reprieve for employees by reducing the usual 6.2% Social Security tax withholding rate by 2% to only 4.2% for wages paid in 2011. Self-employed individuals who pay Social Security tax as part of the self-employment tax were also entitled to a 2% Social Security tax rate reduction on net self-employment income earned in 2011.

Now the new law extends the 2% Social Security tax rate reduction for two months to give Congress time to hammer out a new agreement. Employers should use the updated payroll tax rate immediately, but no later than 1/31/12. If an employer overwithholds on an employee's payroll tax in January, it should make an offsetting adjustment as soon as possible, but no later than 3/31/12. (*IRS News Release 2011-124*)

Recapture rule for high-income folks

Special rule: The new law also includes a recapture provision for employees who receive more than \$18,350 in wages in the first two months of 2012. This threshold is based on the annual wage base of \$110,000 multiplied by ²/₁₂. These high-income employees must pay an additional tax equal to 2% of the amount of wages above \$18,350 received in January and February (not to exceed \$110,100). The recapture tax is paid on the employee's 2012 federal income tax return.

Example: You're paid an annual salary of \$150,000 on a monthly basis. So your wages for the first two months of 2012 are \$25,000 ($\$150,000 \div 12 \times 2$). Because your wages exceed the limit, you must pay a recapture tax of \$133 ($\$25,000 - \$18,350 \times 2\%$) when you file your 2012 return.

The new law also extends unemployment benefits for 2 million individuals and avoids a 27% cut in Medicare reimbursements to physicians.

TIP: The cost of the new law will be offset by increased fees for Fannie Mae and Freddie Mac loans.

Small Business Tax Strategies — February 2012

OFFICE HOURS:
Monday - Friday
8 am to 5 pm
(January thru April)

Semi-Weekly 941 Deposit Due Dates

Payroll Check Date:	Deposit is Due on:
Feb 1-3	Feb 8
Feb 4-7	Feb 10
Feb 8-10	Feb 15
Feb 11-14	Feb 17
Feb 15-17	Feb 23
Feb 18-21	Feb 24
Feb 22-24	Feb 29
Feb 25-28	Mar 2
Feb 29-Mar 2	Mar 7

UCT News

The Florida Unemployment Compensation Tax for 2012 is now based on the first \$8,500 of earnings (increased from \$7,000 last year), so expect a higher Unemployment Tax bill this year from the State of Florida, as well as the IRS.

Have you made your TAX APPOINTMENT yet?



We have already started scheduling tax appointments so if you have your information ready, go ahead and contact Kewanna (ext. 11) or Charia (ext. 15) as soon as possible to reserve your preferred date. We ask that you keep your scheduled appointment. If you do find it necessary to cancel/reschedule your appointment, please remember that **we must interview you by Feb. 20th for corporate returns and March 19th for personal returns to avoid having to go on extension.** Our goal is to have NO ONE on extension!

PAYROLL UPDATES for QUICKBOOKS



If you use the Payroll subscription for QuickBooks, it is very important that you run the Intuit Payroll Updates as you receive them. If you have any trouble installing the updates, contact SBG for assistance.



As we did last year, we will be uploading your completed tax returns to the SBG Portal once they are completed and ready for your signature. We will email you with instructions on what files to print. Remember that you have the option of saving all client copies to your computer or a jump drive for paperless storage.

There are actually two parts to the SBG Portal: **File Exchange** and **Document Presentation**. **File Exchange** is the part that allows you to upload your QB file or any other documents you need to send to SBG without the need of bringing it to our office in person. Many of you have commented on how convenient it is to not have to bring us your sticks.

Document Presentation is a portion of the Portal that hosts a .pdf copy of your completed work, such as tax returns. We can use this part of the Portal to upload IRS Forms such as W-4, W-9, New Hire Packet, etc., as well as important news for our clients. You will have access to your tax return at any time you need a copy. You may download it to your computer, print it, burn it to a CD, email it to bankers, etc., as needed.

For those who do not use the internet, we will continue to provide a hard copy of your tax returns, Statements, etc. If at any time you have any questions regarding the SBG Portal, please contact Kewanna for assistance. If after hours, you can reach her at 412-1307 (cell).

GROW our Business

HELPUS

Do you KNOW an Entrepreneur?

Refer them to Small Business Group & they will receive a one-on-one consultation...

FREE!

If they sign up with SBG, YOU could receive a credit on next year's client engagement.

Contact SBG at 731-2221

2011 Tax Organizers



Organizers are being uploaded to the new SBG Portal and should be ready by Feb. 6th. For those who don't use the internet, we have mailed your 2011 Organizer.

As your information comes in for your personal taxes, begin to fill out your Organizer pages. Refer to the top of each page to categorize your information. Remember, your complete Organizer should help you find everything you need for your interview. **BE SURE TO VERIFY YOUR ADDRESS.**

Once you have all of your information ready, you can either use the SBG Portal to scan and upload your documents for us or you may drop it off to our office. If you would like to schedule an appointment for a tax interview, contact Kewanna (ext 11) or Charia (ext 15).

Remember that IT IS IMPORTANT FOR YOU TO BRING THE ORGANIZER WITH YOU FOR YOUR TAX INTERVIEW (EVEN IF YOU DID NOT USE IT). During the interview, SBG will fill in the blanks.



TANGIBLE TAX RETURNS: DID YOU GET A POSTCARD?

Many of you have received a postcard in the mail stating that you are exempt from filing a Tangible tax return this year IF your assets are still below the \$25,000 exemption limit. If you received this exemption notice, please put it in the mail to us. The exemption applies to those returns that were filed on time. We are going to assume that you filed the tangible return on time last year since we got it to you in time to do so. If you received an exemption notice and you have purchased new assets this year, please contact our office so we can determine if you will need to submit a tangible tax return or not. If you have any questions, contact SBG at 731-2221.