

SMALL BUSINESS GROUP

1804 University Blvd. West
Jacksonville, FL 32217
(904) 731-2221 Office
(904) 731-5544 Fax
www.SmallBG.com

CONTACT



APRIL 2013

Vol. XXXVII NO. 4



4/15

- Last day to make 2012 IRA contributions
- Individual Income Tax Return (1040) or Individual Application for Automatic Extension (4868) due
- Partnership (1065) & Trusts (1041) due
- 1st Qtr Estimated tax - 1040ES
- Payroll tax deposit due if liability is over \$2500

4/19

- **SBG Office will be Closed**

4/22

- Sales tax reports due

4/30

- Payroll Tax Returns (941 & UCT-6) due.
- Federal Unemployment Deposit due if liability over \$500

Annual Report due on or before May 1st to avoid a \$400 penalty

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:
Apr 1-2	Apr 5
Apr 3-5	Apr 10
Apr 6-9	Apr 12
Apr 10-12	Apr 17
Apr 13-16	Apr 19
Apr 17-19	Apr 24
Apr 20-23	Apr 26
Apr 24-26	May 1
Apr 27-30	May 3



1ST QUARTER PAYROLL

Your first quarter “payroll worksheets” will be emailed to you from Small Business Group (mailed for those who do not use email) the first week of April. QuickBooks users will receive our quarterly payroll letter requesting your updated files. For your convenience, simply upload your file to the SBG Portal. Contact Kewanna if you need assistance using the SBG Portal. If you prefer, you can bring or mail us your USB stick. Don’t forget to send us your preprinted UCT-6 when you send in your payroll, if possible. **NOTE: We will need your UCT-6 rate for 2013.** If you haven’t sent it already, please do so in order for your payroll to be processed on time.

Remember: Payrolls are processed on a first-in, first-out basis. Payrolls received after April 22nd may not be completed by the payroll filing deadline of April 30th. Payrolls with missing information will not be processed until all information is received.

When sending us your QuickBooks file, please send us a backup or a portable company file reconciled through 3/31/13. Please do not use the Accountant’s Transfer Copy. If you have any trouble or have additional questions, contact Kewanna at 731-2221 or by email at kgroman@smallbg.com.



If you have waited more than two or three weeks for your refund, you can visit the IRS website at <http://www.irs.gov/Refunds/Where's-My-Refund-It's-Quick-Easy-and-Secure> or call the IRS at 1-800-829-4477 to check on your refund. You will need to have a copy of your tax return handy when you call or visit the website. For more assistance, contact Kewanna at 731-2221 or kgroman@smallbg.com.



2013 Annual Report Notice



You have probably already received a very important email or possibly a little card called “Annual Report Notice” in the mail. (If you have not received yours yet, be on the look out for it.) It tells you how to file and pay your 2013 Annual Report Fee online by credit card. If you prefer to pay by check, you can download the form or send the postcard back to the state to request a paper form. (This will take mailing time so don’t wait until the filing deadline.) Can SBG take care of this? Yes, we will be happy to assist you with this for a charge of \$50. Please CONTACT us and send us the card if you need SBG’s services.

All corporations and LLC’s must pay this filing fee in order to keep their corporation active in the state. **If you file after May 1st, there is a late penalty of \$400. If you let it lapse, it could cost you \$700 to reinstate.** When you read this, stop and be sure you have filed the form and paid this fee. If you haven’t, do it now and save yourself some money!!!

Don't Hoard Excess Business Earnings

The TV show "Hoarders" doesn't portray the obsessions of business owners. But you might trigger tax problems if you can't help stockpiling too much cash in the company's cupboards.

Strategy: Do your best to avoid the "accumulated earnings tax." This little publicized penalty tax will be tacked onto your regular corporate income tax bill if you don't stay within the prescribed tax law limits.

However, the outlook isn't as bleak as before. Until Congress passed the new American Taxpayer Relief Act (ATRA), the tax rate for the accumulated earnings tax was poised to practically triple in 2013 to 39.6%. But ATRA permanently installs a much lower 20% rate.

Here's the whole story: The accumulated earnings tax is intended to discourage excessive accumulations of funds within a company. It applies to "accumulated taxable income," which is defined as the company's taxable income (with certain adjustments) minus the dividends paid deduction and an accumulated tax credit. The minimum tax credit for this purpose is \$250,000; \$150,000 for personal service corporations. Thus, if you can keep the cash in your company's coffers below the \$250,000/\$150,000 mark for the year, you're in the clear.

Otherwise, your corporation will be liable for the accumulated earnings tax. Previously, the tax rate was 15% in 2012, based on the preferential tax treatment for qualified dividends. However, because dividends were scheduled to be taxed at ordinary income rates in 2013, the applicable tax rate for the accumulated earnings tax would have been 39.6%. Since ATRA established a maximum 20% federal income rate on qualified dividends for 2013 and beyond, the accumulated earning tax rate is also now 20%.

What's more, if you exceed the minimum credit amount, there's a fallback position: No penalty is imposed on amounts accumulated for a "reasonable business need." To qualify under this safe harbor rule, you must show that you have a definite plan in place for using the money in the applicable tax year (*see box*).

5 Steps to Nail it Down

Other factors may come into play. For instance, if you own a business in a volatile industry, you might have a better argument for accumulating cash than other businesses. Take these five steps to strengthen your case for accumulating more cash.

1. Adopt a consistent dividend paying policy.
2. Obtain expert opinions to support anticipated replacement costs.
3. Do the same for accumulations to safeguard against business hazards.
4. Move expansion plans into the blueprint stage as soon as possible.
5. Keep detailed records of valid business reasons for accumulating earnings in the corporate minutes. This is the best proof your company can have for justifying any excess amounts.

Tip: If it's a close call, pay enough dividends to stay below the \$250,000/\$150,000 mark.

Small Business Tax Strategies — March 2013

GROW our Business

HELP

Do you KNOW an Entrepreneur?

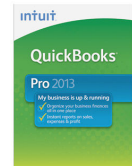
Refer them to Small Business Group & they will receive a one-on-one consultation... FREE!

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

Contact SBG at 731-2221



QuickBooks Pro 2013



The new QuickBooks 2013 product line has been released and SBG is giving the "go ahead" to anyone who is ready to upgrade. There is a new look to QB 2013 — more of an "online" feel to it. Give your friends at SBG a call if you need help with the transition!

Important Alert

for QuickBooks 2010 Users:

For those clients using the payroll service with QuickBooks 2010 Basic or Pro, you will need to update to a newer version of QuickBooks ASAP. After May 1, 2013, Intuit's Tax Table Service will no longer be available and the program will stop calculating payroll taxes.

You can order the new 2013 version of QuickBooks online at <http://quickbooks.intuit.com>, <http://amazon.com> or purchase it at a local office supply store. (**Be sure to do a backup BEFORE upgrading to the new software.**) Contact SBG if you need help with the upgrade.

What's Hot and What's Not

The following have been treated as reasonable business needs in the past:

- Retirement of debt
- Expansion of the business or replacement of the plant
- Acquisition of a business through purchase of stock or assets
- Accumulation of working capital of the business (e.g., to purchase inventory)
- Investments or loans to suppliers or customers necessary for maintenance of the business

Conversely, the following reasons cited by business owners have been refuted:

- Loans to shareholders and expenditures for their personal benefit
- Loans to friends or relatives of shareholders
- Investments unrelated to the business
- Accumulations to provide against unreasonable hazards