

SMALL BUSINESS GROUP

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CONTACT



MAY 2014

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5/15
• Payroll tax deposit due if liability is over \$2500

5/20
• Sales tax reports due

5/26
• Office will be closed for Memorial Day



Office Hours:

8 am to 5 pm
Monday - Thursday

Closed on Fridays
(until January)

Important Dates!

Semi-Weekly 941 Deposit Due Dates

Payroll Check Date:	Deposit is Due on:
Apr 30-May 2	May 7
May 3-6	May 9
May 7-9	May 14
May 10-13	May 16
May 14-16	May 21
May 17-20	May 23
May 21-23	May 29
May 24-27	May 30
May 28-30	Jun 4
May 31-Jun 3	Jun 6



DODGE “DIRTY DOZEN” TAX SCAMS IN 2014



The IRS has released its annual “Dirty Dozen” list of tax scams for taxpayers to avoid in 2014. (IRS Internal News Release 2014-16, 2/19/14)

Alert: Be especially vigilant now. Scams occur at all times during the year, but the IRS notes they are more prevalent in tax filing season. Here’s a summary of the list for 2014:

1. Identity theft: Identity theft occurs when someone uses your personal information, such as your name, Social Security number (SSN) or other identifying information, without your permission, to commit fraud or other crimes. Frequently, an identity thief uses a legitimate taxpayer’s identity to fraudulently file a tax return and claim a refund. The IRS maintains a special section on www.irs.gov for ID theft issues.

2. Telephone scams: Callers pretend to be from the IRS in hopes of stealing money or identities. There are many variations ranging from instances where callers say the victims owe money or are entitled to a huge refund. Some calls can threaten arrest and threaten a driver’s license revocation. Follow-up calls may come from people saying they are the local police or state motor vehicle department.

3. Phishing: Typically, this is carried out with the help of unsolicited email or a fake website that poses as a legitimate site to lure in potential victims and prompt them to provide valuable personal and financial information. Armed with this information, a criminal can commit identity theft or financial theft.

4. False promises of inflated refunds: Scam artists routinely pose as tax preparers during tax time, luring victims in by promising large or unexpected federal tax refunds. They use fliers, advertisements, phony store fronts and even word of mouth to throw out a wide net for victims.

5. Return preparer fraud: About 60% of taxpayers will use tax professionals this year to prepare their tax returns. Most return preparers provide honest service to their clients. But, some unscrupulous preparers prey on unsuspecting taxpayers, and the result can be refund theft or identity theft. *Of course, we are one of the many honest tax preparers!*

6. Hiding income offshore: Over the years, numerous individuals have been identified as evading U.S. taxes by hiding income in offshore banks, brokerage accounts or nominee entities and then using debit cards, credit cards or wire transfers to access the funds. Others have employed foreign trusts, employee-leasing schemes, private annuities or insurance plans for the same purpose.

7. Impersonating charitable organizations: Following major disasters, it’s common for scam artists to impersonate charities to get money or private information from well-intentioned taxpayers. Some scammers operating bogus charities may contact people by telephone or email to solicit money or financial information. They may even directly contact disaster victims and claim to be working for or on behalf of the IRS.

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PREPARE FOR HURRICANES BY SAFEGUARDING TAX RECORDS

With hurricane season almost underway, the Internal Revenue Service encourages individuals and businesses to safeguard themselves by taking a few simple steps.

Create a Backup Set of Records Electronically

Taxpayers should keep a set of backup records in a safe place. The backup should be stored away from the original set. Keeping a backup set of records — including, for example, bank statements, tax returns, insurance policies, etc. — is easier now that many financial institutions provide statements and documents electronically, and much financial information is available on the Internet. Even if the original records are provided only on paper, they can be scanned into an electronic format. With documents in electronic form, taxpayers can download them to a backup storage device, like an external hard drive, or burn them to a CD or DVD.

Document Valuables

Another step a taxpayer can take to prepare for disaster is to photograph or videotape the contents of his or her home, especially items of higher value. The IRS has a disaster loss workbook, [Publication 584](#), which can help taxpayers compile a room-by-room list of belongings. A photographic record can help an individual prove the market value of items for insurance and casualty loss claims. Photos should be stored with a friend or family member who lives outside the area.

Update Emergency Plans

Emergency plans should be reviewed annually. Personal and business situations change over time as do preparedness needs. When employers hire new employees or when a company or organization changes functions, plans should be updated accordingly and employees should be informed of the changes.

Check on Fiduciary Bonds

Employers who use payroll service providers should ask the provider if it has a fiduciary bond in place. The bond could protect the employer in the event of default by the payroll service provider.

IRS Ready to Help

If disaster strikes, an affected taxpayer can call 1-866-562-5227 to speak with an IRS specialist trained to handle disaster-related issues. Back copies of tax returns and all attachments, including Forms W-2, can be requested by filing [Form 4506, Request for Copy of Tax Return](#). Likewise, transcripts can be ordered using [Form 4506-T, Request for Transcript of Tax Return](#). Returns or transcripts can also be ordered by calling 1-800-829-1040. There is no fee for a transcript or tax return copy for a taxpayer located in a federal disaster area qualifying for individual assistance. Taxpayers should put the assigned Disaster Designation in red ink at the top of the request form.

IR-2009-61, June 22, 2009

GROW our Business

HELP US

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

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8. False income: Another scam involves inflating wage or self-employment to maximize refundable credits such as the Earned Income Tax Credit. Making such false income claims could result in having to repay the erroneous refunds, including interest and penalties, and in some cases, even facing prosecution.

9. Frivolous arguments: Promoters of frivolous schemes encourage taxpayers to make unreasonable and outlandish claims to avoid paying the taxes they owe. The IRS has a list of frivolous tax arguments that taxpayers should avoid.

10. Falsely claiming zero wages or using false Form 1099: Filing a phony information return is an illegal way to lower the amount of taxes an individual owes. Typically, a Form 4852 (Substitute Form W-2) or a "corrected" Form 1099 is used as a way to improperly reduce taxable income to zero. The taxpayer may also submit a statement rebutting wages and taxes reported by a payer to the IRS.

11. Abusive tax structures: Abusive tax schemes have evolved from simple structuring of abusive domestic and foreign trust arrangements into sophisticated strategies that take advantage of the financial secrecy laws of some foreign jurisdictions and the availability of credit/debit cards issued from offshore financial institutions.

12. Misuse of trusts: Unscrupulous promoters continue to urge taxpayers to transfer large amounts of assets into trusts. These assets include not only cash and investments, but also successful ongoing businesses. There are legitimate uses of trusts in tax and estate planning, but the IRS commonly sees highly questionable transactions.

Tip: Illegal scams can lead to significant penalties and interest and possible criminal prosecution.

Small Business Tax Strategies—April 2014

- Have you moved?
- Got a new phone number?
- Changed your email address?



If you answered YES, please notify SBG of these changes so we can update our files with your new information. We came across several this tax season who had moved, but never provided us the new address. Please contact Kewanna by email at kgroman@smallbg.com or by phone at 731-2221, ext. 11.