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**NEWSLETTER**  
**JULY 2006**

HAPPY 230<sup>TH</sup> BIRTHDAY

On July 4<sup>th</sup> as we celebrate the birth of our Nation, we should take a moment to reflect on what has happened to our great nation over these 230 years. What lies ahead for this republic?

**We will be closed Tuesday, July 4, 2006 to celebrate our independence from the British.**

JULY 1995 NEWSLETTER MISSING

A very special reward awaits the first person to provide us with the July 1995 issue of our *NEWSLETTER*.

END OF SECOND QUARTER

June 30<sup>th</sup> marks the end of the second quarter of 2006 which means that your payroll tax forms (941s, UC-1s, and UC-5As) are due July 31st.

Form 941, Employers Quarterly Federal Tax Return can now be signed by rubber stamp, mechanical device, or computer software program.

The Social Security wage base for 2006 is \$94,200. So neither you nor your employees have to pay FICA taxes on wages in excess of that amount. However, there is no wage base for Medicare i.e., you must pay Medicare on all wages, not just the first \$94,200.

OFFICE HOURS

**A reminder: our office closes at 1:00 p.m. on Fridays and will continue this schedule until Labor Day.** Monday through Thursday, our office hours remain 8 a.m. to 5 p.m.

WARNING: DEDUCTING MEDICAL INSURANCE PREMIUMS

Many clients have their Subchapter S corporations pay for their health insurance. To obtain a deduction for the premiums paid, it is necessary to include the insurance premiums in the W2 wages of the shareholder/employee. On May 15, 2006, IRS stated that the health insurance policy must be in the name of the corporation and not in the individuals name to get the deduction. **So make sure you contact your insurance agent** and make sure the policy is in the corporation's name if you want to claim the deduction.

**IF YOU LIKE OUR SERVICE, TELL OTHERS. IF YOU DON'T, TELL US.**