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NEWSLETTER
DECEMBER 2010

EMPLOYERS WITH 25 OR MORE EMPLOYEES

Indiana requires that employers with 25 or more employees file their W-2s electronically. If you wish, we can do this for you. So call and let us know.

ELECTRONIC PAYROLL FILING

Most employers are required to file their federal payroll taxes via EFTPS. If you have yet to do so, we would be pleased to assist you in getting set-up for EFTPS filing. It would also be beneficial to file and pay your state withholding and sales taxes electronically. We would be more than willing to help you.

YEAR-END EMPLOYEE W2 INFORMATION

Shortly we will be sending out year-end W2 information sheets as well as other year-end tax information requests. Please return the W-2 information sheets to us by December 17, 2010.

BANK STATEMENTS

Please provide us with your bank statements. With the emphasis on electronically filing payroll and sales taxes, it is more important than ever that we get your monthly bank statements.

SUBCHAPTER "S" CORPORATION OWNERS

Take note that the American Jobs and Closing Tax Loopholes Act of 2010 (H.R. 4213) is designed to reclassify any distributions or draws as W2 wages if you do not take a salary or if the salary you take is unreasonably low. In addition, IRS will tack on penalties and interest too. A recent U.S. Tax Court case held that the sole owner of a subchapter S corporation's salary of \$24,000 was too low when compared to his dividend distributions of \$201,651. Of that amount \$130,730 was reclassified as salary and FICA taxes along with interest and penalties were assessed.

If you are similarly situated as we end this year, consider paying yourself a bonus to make your salary more reasonable when compared to your draws and/or distributions.

HOLIDAY CLOSINGS

Friday Dec. 17. Closed at Noon for our annual Christmas party.

Friday Dec. 24. Closed all day to celebrate Christmas.

Friday Dec. 31. Closed all day to celebrate the New Year.

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