

Accu-Facts

By Accu-Tax, Inc.

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Paying your Personal IRS Bill

As we all know, if you have a balance due at the end of the tax return process you can pay it by sending IRS a check, pay by credit card, (but you have to add the 2.5-4% fees the credit card company charge the merchants), have the payment auto withdrawal from your bank on April 15th and now a 4th way.

Direct Pay is an ACH payment from your bank account. You can use it as a one-time transaction or you can sign up for the system to remember your bank routing number and account number and pay your 2015 Estimated Taxes through it as well.

This new system will take ALL personal tax payments whether it's a balance due on the return, from a notice, an amended return (1040X) or a scheduled payment like the 2015 ES payments. The timing is only up to 30 days before the withdrawal so you CAN NOT schedule all four ES payments at one time.

As I said above you can use it once only and it will discard your banking info after the transaction unless you register.

Go online to:
www.irs.gov/payments

Click on the blue button DIRECT PAY next to the Credit Card payment.

Minutes to Meeting for Expense Limits

Remember that business Meeting Minutes I made you guys

have and sign when we had our appointment? Well, you have to have one done each year. So, I have attached here the December meeting minutes for you to include with your regular corporate meeting so I'll have them for your 2014 business tax return.

Reimbursable Health Plans

If an employer doesn't establish a health insurance plan for its employees but reimburses the EEs for premiums they pay, (and I stress the word REIMBURSE here), the ER can still exclude the premium from gross wages.

The exclusion also applies if the ER pays the insurance company directly, however, the insurance company may not take the ER's check.

It's up to the ER as to how much the reimbursement will be.

Make sure the method you choose gets into the EE Handbook which each EE should get when hired. Also part of the EE Handbook should be the Health Insurance Notices previously distributed to you. These are the two US Department of Labor letters to inform the EE that the ER has insurance or ER doesn't have insurance.

3rd Party Evidence

For any clients who use the standard mileage deduction for business miles I want to remind you that you might have to prove those miles someday.

Even if you save \$2 a can by changing your oil yourself

– the odom reading the repair shop takes when you bring the car in for an oil change or tire rotation is cheap insurance for the day you are required to prove the miles taken. That you'll have a disinterested 3rd party providing that documentation that yes, you did put 35K miles on the car that year will be worth it.

Child's SS Benefits

If a child is collecting SDI payments and we deem that the child's income is non-taxable, there might still be a problem.

IRS is looking as these kids as not qualifying as a dependent on the parent's return.

To qualify to take a child as your dependent there has to be a tiered test.

- 1) Family
- 2) Age
- 3) Support – and here we go... The parent has to prove that he pays for MORE THAN half of the child's support. So, a value is placed on room & board, cable, cell, clothing, car, school, vacations, etc. and then subtracts what the child pays with his SDI. Is the remainder more than half? Discuss with me if this is you.

Delay to Tax Season- Again?

As has become the norm lately, there are a bunch of tax laws that expire Dec 31st and Congress has said they will not address them until the January session – which means that these dogs will be fighting over bones right from the start.

Tax savings like the teacher \$250 deduction, the Sales tax deduction, Tuition credit, mtg Insurance deduction and others less well known.

Depending on how soon they get their act together – will dictate when I can take these or not – ergo your submission might be delayed. As usual, I will prepare the return with that point and when advised if the bills get signed – will submit

the returns as one shot when I'm given the green light.

Signing a JOINT Return

Remember that if both parties sign a joint return it means that both parties are 100% responsible for the tax.

Like a mortgage, if one person takes off, the bank doesn't say: "No problem just send us your half of the monthly

payment". It's the same with a return.

Also a reminder that even though the signatures are "electronic" now, you are still signing under penalty of perjury.

For couples who send one partner in to do the return and take it home for the other's signature – be aware of what you are agreeing to.