



## ■ e-Filing

The Internal Revenue Service has been encouraging electronic filing of tax returns for a number of years in order to improve return accuracy and processing speed. E-filed returns are not manually input by the IRS; and, before an electronic return is accepted by the IRS, computer checks are performed to detect possible errors and missing information. When your tax return is e-filed you no longer have to mail a paper copy and track its delivery. The IRS will send a confirmation of receipt within 48 hours after a tax return is e-filed.

Because we believe the long-run benefits to our clients of e-filing outweigh its costs and challenges, we are now implementing e-filing throughout our client base.

We incur direct fees from software providers when we file returns electronically with the IRS. In addition, our internal processes for e-filing are more complex and time consuming than for the preparation of paper based tax returns. We estimate that the minimum additional cost for e-filing will be \$50 per return for simple returns and will increase based on the complexity of the return.

How e-Filing Works:

- We'll prepare your tax return from the documents that you have given us and then we'll provide you a paper copy to review and keep for your permanent records.
- After you review your tax return, you'll sign (and return to us) a form that authorizes us to e-file your tax return.
- Once we receive your authorization, we'll transmit your return electronically to the IRS.

As always, we welcome questions regarding this and other issues and encourage you to call our offices and speak to a member of our professional staff.

## ■ Minimum Wage and Tax Update

### FLORIDA MINIMUM WAGE

The current federal minimum wage is \$5.85, increasing to \$6.55 on July 24, 2008. However, effective January 1, 2008, the minimum wage in Florida is \$6.79 per hour.

### SOCIAL SECURITY AND MEDICARE TAXES

The FICA Social Security tax rate for 2008 is 6.2% for all wages paid up to a maximum of \$102,000 for OASDI. The Medicare tax rate is 1.45% for all wages paid, with no maximum limitation. The self-employment tax rate is 12.4% for OASDI and 2.9% for Medicare.

## ■ Year End Records

If your business has a calendar year end we would appreciate receiving your tax documents by **Friday, February 15, 2008**. Please remember to provide us with an updated list of shareholders or partners, along with their EINs and addresses, if any of this information changed during 2007.

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## ■ Important Tax Due Dates

### January 31, 2008

Form 941  
Form 940  
Form UCT-6  
Forms W-2 due to employees  
Forms 1099 due to recipients

### February 15, 2008

Corporate tax return documents due to our office

### February 28, 2008

Forms W-3 and W-2 due to SSA  
Forms 1096 and 1099 due to IRS

### March 17, 2008

Form 1120(S) and calendar year 1120 due to IRS

### April 1, 2008

Tangible Personal Property Tax return due

### April 15, 2008

Individual federal tax returns due

Partnership calendar year tax returns due

### May 1, 2008

Florida Annual Report and Fee due

## ■ 2008 Mileage Rates

Business standard rate is **50.5¢** per mile.  
Depreciation component rate is **21¢** per mile.  
Vehicle use for medical care or job-connected moving expense is **19¢** per mile.  
Charitable use of a car is **14¢** per mile.

## ■ Sales and Use Tax

### RESALE CERTIFICATE

In the front of your 2008 sales tax booklet there is one copy of an annual Resale Certificate. Please pull this out and make copies, sign and provide to any of your vendors.

### TAX EXEMPT CERTIFICATES

Clients who are exempt from sales tax should provide a copy to all vendors. The Department of Revenue is now requesting that the copy be signed at point of purchase.

### DISCRETIONARY SALES SURTAX

Several surtax rates will expire in 2008. Be sure to review the surtax list included with your tax booklet or you can download it from the FL DOR website, <http://dor.myflorida.com/dor/forms/2008/dr15dss.pdf>.

Businesses can verify a purchaser's Resale and Exemption Certificate at <https://suntax.state.fl.us/irj/portal/anonymous>.

## ■ Year End Procedures

Verify an employee's name and social security number at <http://www.ssa.gov/bsowelcome.htm>.

- PEACHTREE CLIENTS
  - Verify that all vendors who are to receive a 1099 have been set up properly. Go to *Maintain Vendors*, under *1099 Type*, check *Independent Contractor*.
- QUICKBOOKS CLIENTS
  - Verify that all vendors who are to receive a 1099 have been set up properly. Go to *Vendor Setup*, under *Additional Info*, check *Vendor Eligible for 1099*.
  - In January 2008, review your Chart of Accounts, Vendor List, and Employee List. Inactivate any employee or vendor you no longer use, as well as accounts that have had no activity in them.
  - Once you have delivered your year-end backup to us, please **DO NOT** make any changes to your data for 2007. Make any changes in the New Year.

## ■ Reminders

### HIRING NEW EMPLOYEES

You must determine that each new employee is legally eligible to work by completing the U.S. Citizenship and Immigration Services (USCIS) Form I-9, Employment Eligibility Verification Form. You may download this form at <http://www.uscis.gov/files/form/i-9.pdf>.

### NEW HIRE REPORTING

State and Federal law requires employers to provide information on newly hired or rehired employees within 20 days after their hire date. You can register to report online or download forms from the Florida New Hire Reporting Center website at <https://newhirereporting.com/fl-newhire/>.

### INDEPENDENT CONTRACTORS

If individuals perform services for you and you are not treating them as employees, BE CAREFUL. Please be sure you have sufficient information and documentation to support your position. Mistakenly reporting individuals as independent contractors, when in fact they are employees, can result in costly tax assessments and penalties.

### LEGAL FEES PAID

Form 1099 must be filed for ALL payments of \$600 or more for legal services. There are NO exceptions even if the provider is a corporation.

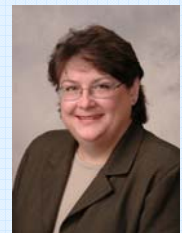
## ■ Meet Some of Our Staff

**Tamara Burroughs** graduated with an advanced degree in Accounting and Taxation from the University of Florida, with High Honors. Tami uses her international firm experience in taxation, estate, and trust matters to provide client services in these areas.

**Tracy Kimbrough** graduated from Florida Southern College with a Bachelor of Science degree in accounting and graduated from the University of South Florida with a Bachelor of Science degree in Management. Her responsibilities include completing and reviewing income tax returns of not-for-profit organizations, corporations, S corporations, partnerships and individuals.



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