



## **The JPT Financial Newswire**

*A professional services publication from JPT Financial Solutions, Inc.*

*February 21, 2014*



**JPT FINANCIAL SOLUTIONS, INC.**

*accounting control consultants & solutions specialists*

**Advisory • Tax • Accounting**

Web: [www.jptfinancial.com](http://www.jptfinancial.com) eMail: [jptfs@jptfs.com](mailto:jptfs@jptfs.com) Tel: (201) 996-9854 Fax: (201) 996-0874

Twitter: [@JPT\\_Financial](https://twitter.com/JPT_Financial) LinkedIn: <http://www.linkedin.com/in/josephpaultimpanocpa>

Facebook: <http://www.facebook.com/pages/JPT-Financial-Solutions-Inc/153215051373985>

### ● **FORM W-2 MISSING?**

If you worked as an employee last year, your employer must give you a Form W-2, Wage and Tax Statement. This form shows the amount of wages you received for the year and the taxes withheld from those wages. It's important that you use this form to help make sure you file a complete and accurate tax return. Most employers give Forms W-2 to their workers by Jan. 31. If you haven't received yours by mid-February, here's what you should do:

- **Contact your employer.** You should first ask your employer to give you a copy of your W-2. You'll also need this form from any former employer you worked for during the year. If employers send the form to you, be sure they have your correct address.
- **Contact the IRS.** If you exhaust your options with your employer and you have not received your W-2, call the IRS at 800-829-1040. You'll need the following when you call:
  - ✓ Your name, address, Social Security number and phone number;
  - ✓ Your employer's name, address and phone number;
  - ✓ The dates you worked for the employer; and
  - ✓ An estimate of the amount of wages you were paid and federal income tax withheld in 2013. If possible, you can use your final pay stub to figure these amounts.
- **File on time.** Your tax return is due by April 15, 2014. If you don't get your W-2 in time to file, use [Form 4852](#), Substitute for Form W-2, Wage and Tax Statement. Estimate your wages and withheld taxes as accurately as you can. The IRS may delay processing your return while it verifies your information.
- If you need more time, you can apply for a six-month extension to file your federal tax return.

For further information, check out IRS YouTube Video:  
<http://www.youtube.com/watch?v=VRRzUpBJLKI>

Source: IRS Tax Tip 2014-14, 2/20/14

## ● **IMPORTANT REMINDERS ABOUT TIP INCOME**

If you get tips on the job from customers, the IRS has a few important reminders:

- **Tips are taxable.** You must pay federal income tax on any tips you receive. The value of non-cash tips, such as tickets, passes or other items of value are also subject to income tax.
- **Include all tips on your return.** You must include the total of all tips you received during the year on your income tax return. This includes tips directly from customers, tips added to credit cards and your share of tips received under a tip-splitting agreement with other employees.
- **Report tips to your employer.** If you receive \$20 or more in tips in any one month, from any one job, you must report your tips for that month to your employer. The report should only include cash, check, debit and credit card tips you receive. Your employer is required to withhold federal income, Social Security and Medicare taxes on the reported tips. Do not report the value of any noncash tips to your employer.
- **Keep a daily log of tips.** Use [Publication 1244](#), Employee's Daily Record of Tips and Report to Employer, to record your tips.

For more information, see Publication 1244 or [Publication 531](#).

Source: IRS Tax Tip 2014-16, 2/19/14

## ● **FOUR GOOD REASONS TO DIRECT DEPOSIT YOUR REFUND**

Would you choose direct deposit this year if you knew it's the most popular way to get a federal tax refund? What if you learned it's safe and easy, and combined with e-file, the fastest way to get a tax refund? The fact is almost 84 million taxpayers chose direct deposit in 2013. Still not sure it's for you? Here are four good reasons to choose direct deposit:

- **Convenience.** With direct deposit, your refund goes directly into your bank account. There's no need to make a trip to the bank to deposit a check.
- **Security.** Since your refund goes directly into your account, there's no risk of your refund check being stolen or lost in the mail.
- **Ease.** Choosing direct deposit is easy. When you do your taxes, just follow the instructions in the tax software or with your tax forms. Be sure to enter the correct bank account and routing number.
- **Options.** You can split your refund among up to three financial accounts. Checking, savings and certain retirement, health and education accounts may qualify. Use IRS Form 8888, Allocation of Refund (Including Savings Bond Purchases), to split your refund. You should deposit your refund

directly into accounts that are in your own name, your spouse's name or both. Don't deposit it in accounts owned by others. Some banks require both spouses' names on the account to deposit a tax refund from a joint return. Check with your bank for their direct deposit requirements.

*Source: IRS Tax Tip 2014-15, 2/18/14*

## ● **WHO SHOULD FILE A 2013 TAX RETURN?**

Do you need to file a federal tax return this year? Perhaps. The amount of your income, filing status, age and other factors determine if you must file. Even if you don't have to file a tax return, there are times when you should. Here are five good reasons why you should file a return, even if you're not required to do so.

<http://www.moneymattersnj.com/story.cfm?SID=15845>

*Source: e-CPA, 2/14/14*

## ● **WHAT YOU SHOULD KNOW ABOUT TAXES AND SOCIAL SECURITY BENEFITS**

Will your tax bill this year include taxes on your Social Security benefits? Will you have to ante up to Uncle Sam when you begin to collect Social Security? If you're not certain – or if you're currently being taxed on your benefits – here's some advice on ways to minimize your outlay.

<http://www.moneymattersnj.com/story.cfm?SID=15846>

*Source: e-CPA, 2/14/14*

## ● **TACKLING TAXES IF YOU'RE SELF-EMPLOYED**

Tax time is tough, there's no question about it, but it's even more challenging when you're self-employed and trying to deal with the sometimes confusing rules and recordkeeping that can go hand-in-hand with running your own show.

<http://www.moneymattersnj.com/story.cfm?SID=15847>

*Source: e-CPA, 2/14/14*

## ● **CHOOSING THE RIGHT FILING STATUS**

Using the correct filing status is very important when you file your tax return. You need to use the right status because it affects how much you pay in taxes. It may even affect whether you must file a tax return.

When choosing a filing status, keep in mind that your marital status on Dec. 31 is your status for the whole year. If more than one filing status applies to you, choose the one that will result in the lowest tax.

Note for same-sex married couples. New rules apply to you if you were legally married in a state or foreign country that recognizes same-sex marriage. You and your spouse generally must use a married filing status on your 2013 federal tax return. This is true even if you and your spouse now live in a state or foreign country that does not recognize same-sex marriage. See [irs.gov](http://irs.gov) and the instructions for your tax return for more information, or check out [Answers to Frequently Asked Questions for Same-Sex Married Couples](#).

Here is a list of the five filing statuses to help you choose:

- **Single.** This status normally applies if you aren't married or are divorced or legally separated under state law.
- **Married Filing Jointly.** A married couple can file one tax return together. If your spouse died in 2013, you usually can still file a joint return for that year.
- **Married Filing Separately.** A married couple can choose to file two separate tax returns instead of one joint return. This status may be to your benefit if it results in less tax. You can also use it if you want to be responsible only for your own tax.
- **Head of Household.** This status normally applies if you are not married. You also must have paid more than half the cost of keeping up a home for yourself and a qualifying person. Some people choose this status by mistake. Be sure to check all the rules before you file.
- **Qualifying Widow(er) with Dependent Child.** If your spouse died during 2011 or 2012 and you have a dependent child, this status may apply. Certain other conditions also apply.

*Source: IRS Tax Tip 2014-13, 2/13/14*

## ● **IRS TIPS ABOUT TAXABLE AND NONTAXABLE INCOME**

Are you looking for a hard and fast rule about what income is taxable and what income is not taxable? The fact is that all income is taxable unless the law specifically excludes it.

Taxable income includes money you receive, such as wages and tips. It can also include noncash income from property or services. For example, both parties in a barter exchange must include the fair market value of goods or services received as income on their tax return.

Some types of income are not taxable except under certain conditions, including:

- Life insurance proceeds paid to you are usually not taxable. But if you redeem a life insurance policy for cash, any amount that is more than the cost of the policy is taxable.
- Income from a qualified scholarship is normally not taxable. This means that amounts you use for certain costs, such as tuition and required books, are not taxable. However, amounts you use for room and board are taxable.
- If you got a state or local income tax refund, the amount may be taxable. You should have received a 2013 Form 1099-G from the agency that made the payment to you. If you didn't get it by mail, the agency may have provided the form electronically. Contact them to find out how to get the form. Report any taxable refund you got even if you did not receive Form 1099-G.

Here are some types of income that are usually not taxable:

- Gifts and inheritances
- Child support payments
- Welfare benefits
- Damage awards for physical injury or sickness
- Cash rebates from a dealer or manufacturer for an item you buy
- Reimbursements for qualified adoption expenses

For more on this topic see [Publication 525](#), Taxable and Nontaxable Income.

*Source: IRS Tax Tip 2014-12, 2/12/14*

## ● **YOUR TAX RETURN: WHAT COULD GO WRONG?**

Every year, taxpayers make mistakes on their tax returns that range from silly to serious. What kinds of errors should you keep in mind as you get ready to file this year's return? Here are three common missteps to avoid.

<http://www.moneymattersnj.com/story.cfm?SID=15841>

*Source: e-CPA, 1/10/14*

## ● **FINANCIAL PLANNING FOR “BOOMERANG PARENTS”**

A tough economy, lagging job market and burdensome student loan debt have created an environment where once-empty nests are no longer all that empty. Parents who find themselves caring for their adult children for much longer than expected, with no exit plan in sight, could easily face their own financial ruin.

<http://moneymattersnj.com/story.cfm?SID=15843>

*Source: e-CPA, 1/10/14*

## ● **FIVE STEPS TO ACHIEVING YOUR FINANCIAL GOALS**

What do you want to do now, next year or several years down the road? No matter what your objectives, there's no doubt that a sound financial plan will put you in a better position to achieve them.

<http://www.moneymattersnj.com/story.cfm?SID=15842>

*Source: e-CPA, 1/10/14*

## ● **IMPORTANT DATES - MARK YOUR CALENDAR**

The IRS Tax Calendar for Small Businesses and the Self Employed is follows:

### ➤ **FEBRUARY 2014 (REMAINDER)**

#### **2/21/2014**

- Deposit payroll tax for payments on Feb 15-18 if the semiweekly deposit rule applies.

#### **2/26/2014**

- Deposit payroll tax for payments on Feb 19-21 if the semiweekly deposit rule applies.

#### **2/28/2014**

- Deposit payroll tax for payments on Feb 22-25 if the semiweekly deposit rule applies.
- File Form 1096 with information returns, including Forms 1098, 1099 and W-2G for payments made during 2013.
- File Form W-3 with Copy A of all Forms W-2 issued for 2013.
- File Form 8027 if you are a large food or beverage establishment.
- File Form 730 and pay the tax on wagers accepted during January.
- File Form 2290 and pay the tax for vehicles first used in January.

### ➤ **MARCH 2014**

#### **3/03/2014**

- Farmers and fishermen: File Form 1040 and pay any tax due. However, you have until Apr 15 to file if you paid your 2013 estimated tax payments by Jan 15, 2014.

#### **3/05/2014**

- Deposit payroll tax for payments on Feb 26-28 if the semiweekly deposit rule applies.

#### **3/07/2014**

- Deposit payroll tax for payments on Mar 1-4 if the semiweekly deposit rule applies.

#### **3/10/2014**

- Employers: Employees are required to report to you tips of \$20 or more earned during February.

#### **3/12/2014**

- Deposit payroll tax for payments on Mar 5-7 if the semiweekly deposit rule applies.

#### **3/14/2014**

- Deposit payroll tax for payments on Mar 8-11 if the semiweekly deposit rule applies.

#### **3/17/2014**

- Corporations: File Form 1120 for calendar year and pay any tax due. For automatic 6-month extension, file Form 7004 and deposit estimated tax.
- Employers: Deposit payroll tax for Feb. if the monthly deposit rule applies.
- S Corporations: File Form 1120S for calendar year and pay any tax due. Furnish a copy of Sch. K-1 to each shareholder. File Form 2553 to elect S Corporation status beginning with calendar year 2014.

- Electing Large Partnerships: Furnish Sch. K-1 (Form 1065-B) to each partner.

#### **3/19/2014**

- Deposit payroll tax for payments on Mar 12-14 if the semiweekly deposit rule applies.

#### **3/21/2014**

- Deposit payroll tax for payments on Mar 15-18 if the semiweekly deposit rule applies.

#### **3/26/2014**

- Deposit payroll tax for payments on Mar 19-21 if the semiweekly deposit rule applies.

#### **3/28/2014**

- Deposit payroll tax for payments on Mar 22-25 if the semiweekly deposit rule applies.

#### **3/31/2014**

- File Form 2290 and pay the tax for vehicles first used in February.
- File Form 730 and pay the tax on wagers accepted during February.
- Electronically file Forms W-2, W-2G, 1098, 1099, and 8027.

### ➤ **APRIL 2014**

#### **4/02/2014**

- Deposit payroll tax for payments on Mar 26-28 if the semiweekly deposit rule applies.

#### **4/04/2014**

- Deposit payroll tax for payments on Mar 29-Apr 1 if the semiweekly deposit rule applies.

#### **4/09/2014**

- Deposit payroll tax for payments on Apr 2-4 if the semiweekly deposit rule applies.

#### **4/10/2014**

- Employers: Employees are required to report to you tips of \$20 or more earned during March.

#### **4/11/2014**

- Deposit payroll tax for payments on Apr 5-8 if the semiweekly deposit rule applies.

#### **4/15/2014**

- Individuals: File Form 1040, 1040A, or 1040EZ. For automatic 6-month extension file Form 4868 and deposit estimated tax. Pay the first installment of 2014 estimated tax.
- Partnerships: File Form 1065 and furnish a copy of Sch. K-1 to each partner.
- Electing Large Partnerships: File Form 1065-B calendar year return.
- Household Employers: File Sch. H with Form 1040 if you paid \$1,800 or more to a household employee.
- Corporations: Deposit the first installment of your 2014 estimated tax.
- Employers: Deposit payroll tax for Mar. if the monthly deposit rule applies.

#### **4/17/2014**

- Deposit payroll tax for payments on Apr 9-11 if the semiweekly deposit rule applies.



#### 4/21/2014

- Deposit payroll tax for payments on Apr 12-15 if the semiweekly deposit rule applies.

#### 4/23/2014

- Deposit payroll tax for payments on Apr 16-18 if the semiweekly deposit rule applies.

#### 4/25/2014

- Deposit payroll tax for payments on Apr 19-22 if the semiweekly deposit rule applies.

#### 4/30/2014

- File Form 720 for the first quarter.
- File Form 730 and pay the tax on wagers accepted during March.
- File Form 2290 and pay the tax on vehicles first used in March.
- Employers: File Form 941 for the first quarter.
- Deposit FUTA tax owed through Mar if more than \$500.
- Deposit payroll tax for payments on Apr 23-25 if the semiweekly deposit rule applies.

Source: IRS Tax Calendar for Business & Self Employed

---

*The JPT Financial Newswire is a periodic publication of JPT Financial Solutions Inc. We are accounting control consultants & solutions specialists who provide advisory, tax & general accounting services to business & consumer clients. As key internal consultants, we troubleshoot & enhance financial process coordination, internal control development, & bottom-line performance through our exemplary problem-solving, analytical, organizational & communication skills.*

*This newsletter is distributed as a service to current clients, prospects, business associates & friends. Please feel free to forward this newsletter to a friend or associate who may find it beneficial. Referrals are greatly appreciated!*

*We cultivate a one on one personal niche & relationship with acumen & expertise to uncover & resolve reporting & financial management issues, weaknesses in internal control, lack of organization & coordination, and budget & planning deficiencies. As key internal consultants, we are actively seeking accounting consultant project opportunities.*

Circular 230 Notice: IRS Regulations require us to advise you that, unless otherwise specifically noted, any federal tax advice in this communication (including any attachments, enclosures, or other accompanying materials) was not intended or written to be used, by any taxpayer for the purpose of avoiding tax-related penalties imposed under the Internal Revenue Code or any other applicable state or local tax law provision; furthermore, this communication was not intended or written to support the promoting, marketing or recommending of any of the transactions or matters it addresses.