



December 2016 Newsletter  
Email Subject: Year-End Quickly Approaching!

## **TOP 5 WAYS TO REDUCE YOUR 2016 TAX PREP BILL**

1. Organize and summarize data in preparation for your spring tax interview appointment
2. Take a QB class and get your individualized questions answered!
3. Send the answers to your CPA's list of questions all at the same time
4. Utilize your Tax Organizer as much as possible

Contact our on-staff bookkeepers to complete the majority of the work before end of year - the last few months of 2016 can be completed before beginning your tax return!

## **TAX RETURN DEADLINES HAVE CHANGED FOR 2016!**

Individual	April 17, 2017	
<b>Corporation</b>	<b>April 17, 2017</b>	<b>(Previously March 15)</b>
<b>Partnership</b>	<b>March 15, 2017</b>	<b>(Previously April 15)</b>
S Corporation	March 15, 2017	
Exempt Organization	May 15, 2017	
<b>FBAR</b>	<b>April 17, 2017</b>	<b>(Previously June 30)</b>
Trust	April 17, 2017	

Please contact your CPA if you have questions regarding due dates on your returns!

## **TAX ORGANIZERS**

Tax time is here again and you should receive your 2016 Tax Organizers during the first two weeks of January 2017.

## **APPOINTMENT CARDS & DROP-OFF CARDS**

After organizers have been sent, we will prepare and mail appointment or drop-off postcards to each client.

If your appointment is scheduled for a day that is not convenient for you, please contact our office to have the date changed. If you don't feel you need an appointment and would rather drop off your tax information, give us a call and we will cancel your appointment.

If you receive a drop-off card but your circumstances have changed and you would like to meet with your CPA, please give us a call and we will set an appointment for you.

## **COURT BLOCKS FLSA OVERTIME RULE**

In the August Newsletter, our firm previously communicated payroll changes mandated by the U.S. Department of Labor to be effective December 1, 2016. On November 22, 2016, the U.S. District Court in Texas blocked the U.S. Department of Labor's final exemption rule, which would have raised the minimum salary threshold to \$47,476 beginning December 1st.

This overtime rule is now halted indefinitely, giving employers a reprieve until the court rules accordingly. Since there is a great deal of uncertainty regarding whether these payroll laws will materialize, our office will continue to update our clients as developments arise!

## **EMPLOYEE REIMBURSEMENTS: ACCOUNTABLE VS. NON-ACCOUNTABLE PLANS**

A reimbursement or allowance arrangement is a system by which you pay advances, reimbursements, or allowances for your employees' business expenses. In order to qualify these reimbursements as business deductions, they must be substantiated. All reimbursements must fall under the rules of an Accountable Plan or they default to a Non Accountable Plan (see rules below).

### **Accountable Plan**

Most employers will reimburse their employees for various expenses such as office supplies, mileage, etc. by having them fill out either a Mileage Reimbursement Form with a log of their miles driven for business or an Expense Reimbursement Form for other expenses they paid for personally. The employee must substantiate the expenses with receipts.

Other employers will offer employees an advance in cash (prior to a business trip) or a cash allowance (travel allowance per month) prior to the expense occurring. In order for an advance to be considered an Accountable Plan, your allowance must require shareholders or employees to meet all of the following rules:

1. They must have incurred deductible expenses while performing services for the company.
2. They must adequately report to the business within a reasonable period of time.  
Generally, a reasonable period is considered adequate within 60 days after incurring the expense and they must return any excess (personal expenses) within 120 days after the expense occurs.

## **Non Accountable Plan**

If any expenses under this arrangement are not substantiated, or any excess non-business expenses are not returned within a reasonable period of time, you cannot treat these as expenses. **Instead, treat these amounts as wages, reported on Form W-2.**

## **REMINDERS**

**Deadlines changed for Form W-3 and Form 1096.** Summary Form W-3 for 2016 must be filed with W-2s by January 31, 2017. In addition, Summary Form 1096 for must be accompanied with all 1099s no later than January 31, 2017. These forms were previously due in February.

**Schedule Tax Planning Now!** Interested in learning more on how to reduce your tax liability for 2016? In most cases, action must be taken before year-end. Learn about your options by scheduling an appointment with your CPA before it is too late! Please call our office at (208) 376-8808.