

Announcements & Upcoming Events:

2012 Utah State Small Business Workshop Schedule:

Presented by the Internal Revenue Service, Utah State Tax Commission and the Utah Small Business Development Center

Employment Tax Workshops: 8:00 a.m. – 5:00 p.m.

February 16, 2012 – March 22, 2012 – April 19, 2012 – May 17, 2012 – June 21, 2012 – July 19, 2012 – August 16, 2012 – September 20, 2012 – October 18, 2012 – November 15, 2012.

Employment Tax Workshops prepare businesses with employees for their employment tax responsibilities. Federal & State tax issues are discussed. Information also presented on other issues facing employers.

Choosing a Business Entity: 8:00 a.m. – 12:00 p.m.

March 8, 2012 – May 10, 2012 – July 12, 2012 – September 13, 2012 – November 8, 2012

This workshop deals with choosing the correct entity for your business. It provides legal aspects of each entity to determine the most appropriate for your business. The SBDC will also provide a summary of the services it offers to small business owners.

Entity Workshops: 8:30 a.m. – 12:00 p.m.

Sole Proprietor – June 7, 2012

LLC and S-Corporation – February 2, 2012 – May 3, 2012 – August 2, 2012 – November 1, 2012

Entity workshops deal with tax situations specific to each entity type.

Above workshops are held at Salt Lake Community College – Larry H. Miller Campus
9750 South 300 West, Sandy, Utah. Register by phone at 801-957-5200 or 801-957-5201.

Sales Tax Workshops: 8:30 a.m. – 11:30 a.m.

May 22, 2012 – August 29, 2012 – October 24, 2012

Sales tax workshops helps new business owners understand the basics of Utah's Sales and use tax, including: Licensing requirements, tax rates, filing returns, remitting tax and the basics of what is taxable versus what is exempt.

The Utah CPE Registry has approved this class for 3 CPE credit hours. Sales tax workshops are all held at the State Tax Commission. 210 N. 1950 W. SLC, Room 1026. **Register online at tax.utah.gov/training or call 801-297-6225**

IRS Updates & News Releases:

Did you know? One of the best ways to get information is by visiting the IRS [Small Business Tax Center](http://www.irs.gov/smallbiz) where you can learn everything from how to get an Employer Identification Number (EIN) online to how to best navigate an audit.

Reminder: Small Business Health Care Tax Credit

<http://www.irs.gov/newsroom/article/0,,id=223666,00.html?portlet=108>

Small employers can get tax breaks for covering employee health costs.

If you are a small employer . . .

- with fewer than 25 full-time equivalent employees
 - that pays an average wage of less than \$50,000 a year
 - and pays at least half of employee health insurance premiums
- . . .then there is a tax credit that may put money in your pocket.

IRS Announces 2012 Standard Mileage Rates, Most Rates Are the Same as in July

<http://www.irs.gov/newsroom/article/0,,id=250882,00.html>

The Internal Revenue Service has issued the 2012 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2012, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) is:

- 55.5 cents per mile for business miles driven
- 23 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The rate for business miles driven is unchanged from the mid-year adjustment that became effective on July 1, 2011. The medical and moving rate has been reduced by 0.5 cents per mile. The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile.

Payroll Tax Cut Temporarily Extended into 2012

<http://www.irs.gov/newsroom/article/0,,id=251650,00.html>

The Temporary Payroll Tax Cut Continuation Act of 2011 temporarily extends the two percentage point payroll tax cut for employees, continuing the reduction of their Social Security tax withholding rate from 6.2 percent to 4.2 percent of wages paid through Feb. 29, 2012. This reduced Social Security withholding will have no effect on employees' future Social Security benefits. Employers should implement the new payroll tax rate as soon as possible in 2012 but not later than Jan. 31, 2012. For any Social Security tax over-withheld during January, employers should make an offsetting adjustment in workers' pay as soon as possible but not later than March 31, 2012. Employers and payroll companies will handle the withholding changes, so workers should not need to take any additional action.

IRS Releases New Tax Gap Estimates; Compliance Rates Remain Statistically Unchanged From Previous Study

<http://www.irs.gov/newsroom/article/0,,id=252038,00.html>

The Internal Revenue Service has released a new set of tax gap estimates for tax year 2006. The tax gap is defined as the amount of tax liability faced by taxpayers that is not paid on time. The new tax gap estimate represents the first full update of the report in five years, and it shows the nation's compliance rate is essentially unchanged from the last review covering tax year 2001.

The tax gap can be divided into three components: non-filing, underreporting and underpayment. As was the case in 2001, the underreporting of income remained the biggest contributing factor to the tax gap in 2006. Under-reporting across taxpayer categories accounted for an estimated \$376 billion of the gross tax gap in 2006, up from \$285 billion in 2001. Tax non-filing accounted for \$28 billion in 2006, up from \$27 billion in 2001. Underpayment of tax increased to \$46 billion, up from \$33 billion in the previous study. Overall, compliance is highest where there is third-party information reporting and/or withholding. For example, most wages and salaries are reported by employers to the IRS on Forms W-2 and are subject to withholding. As a result, a net of only 1 percent of wage and salary income was misreported. But amounts subject to little or no information reporting had a 56 percent net misreporting rate in 2006.

IRS Kicks off 2012 Tax Season with Deadline Extended to April 17

<http://www.irs.gov/newsroom/article/0,,id=251825,00.html>

Taxpayers have until April 17 to file their tax returns. The IRS encourages taxpayers to e-file as it is the best way to ensure accurate tax returns and get faster refunds. The IRS also announced a number of improvements to help make this tax season easy for taxpayers. This includes new navigation features and helpful information on IRS.gov and a new pilot to allow taxpayers to use interactive video to get help with tax issues.

"At the IRS, we're working hard to make the process of filing your taxes as quick and easy as possible," said IRS Commissioner Doug Shulman. "Providing quality service is one of our top priorities. It not only reduces the burden on taxpayers, but also helps in filing an accurate return right from the start."

Taxpayers will have until Tuesday, April 17, to file their 2011 tax returns and pay any tax due because April 15 falls on a Sunday, and Emancipation Day, a holiday observed in the District of Columbia, falls this year on Monday, April 16.

According to federal law, District of Columbia holidays impact tax deadlines in the same way that federal holidays do; therefore, all taxpayers will have two extra days to file this year. Taxpayers requesting an extension will have until Oct. 15 to file their 2012 tax returns.

Tax Tips for 2012

<http://www.irs.gov/newsroom/content/0,,id=104608,00.html>

Visit the Tax Tips page to find information on a variety of tax topics for the 2012 filing season. Just some of the tips you will find there:

[Federal Tax Information Aplenty through Social Media](#)

[Tax Help 'en Español'](#)

[Four Ways to Get IRS Forms and Publications](#)

IRS e-file Launches; Most Taxpayers Can File Immediately

<http://www.irs.gov/newsroom/article/0,,id=252505,00.html>

The 2012 electronic tax return filing season is open. IRS reminds taxpayers that e-file remains the best way to get fast refunds and ensure accurate tax returns. IRS e-file has surpassed the milestone of 1 billion returns processed. The electronic transmission system revolutionized the way the IRS processes tax returns and made speedy refunds possible. More than 112 million income tax returns were e-filed last year, or 77 percent of all individual returns filed.

"E-file is the best option for taxpayers. E-file enables taxpayers to file more accurate returns and receive their refunds quickly and safely," said IRS Commissioner Doug Shulman.

Do Your Federal Taxes for Free with IRS Free File

<http://www.irs.gov/newsroom/article/0,,id=252506,00.html>

IRS Free File, which has been making taxes a little less taxing for a decade, opened January 17. More than 33 million returns have been filed through Free File since its debut.

Everyone can use Free File, either the brand-name software offered by IRS' commercial partners or the online fillable forms. Individuals or families with 2011 adjusted gross incomes of \$57,000 or less can use Free File software. Free File Fillable Forms, the electronic version of IRS paper forms, has no income restrictions. Free File software is a product of a public-private partnership between the IRS and the Free File Alliance, LLC. The Alliance is a consortium of approximately 20 tax software providers who make versions of their free-file products available exclusively at www.irs.gov/freefile. All Free File members must meet certain security requirements and use the latest in encryption technology to protect taxpayers' information. Seventy percent of taxpayers – 100 million people - are eligible for Free File software. It's perfect for first-time filers, families looking to save money or older Americans adept at using the Internet.

Recent Articles from e-News for Small Businesses

Contacting the IRS for information and assistance

The hours of service for most IRS toll-free telephone lines is 7 a.m. to 7 p.m. local time.

Related link: [Ways to contact the IRS](#)

Revised Circular E now available

[Pub. 15](#), (Circular E) Employer's Tax Guide, is updated to reflect the recent legislation temporarily extending the payroll tax cut for employees.

Identity theft

Two new fact sheets offer information for taxpayers caught by identity theft:

[FS-2012-8](#), Taxpayer Guide to Identity Theft

[FS-2012-7](#) Protect Yourself from Identity Theft

Choosing a tax preparer

Even if a return was prepared by an outside individual or firm, taxpayers are legally responsible for what's on the return. [IRS Tax Tip 2012-06](#) offers tips to help choose a tax preparer wisely.

National Taxpayer Advocate annual report

The National Taxpayer Advocate's [2011 annual report](#) to Congress focuses on IRS funding and taxpayer rights. [IR-2012-6](#) has more information.

Winter 2011 SSA/IRS Reporter

The latest issue of [SSA/IRS Reporter](#) includes information for employers from the IRS, Social Security Administration and the American Payroll Association.

Revisions to FBAR and Form 8300 instructions

[Headliner Volume 316](#) explains the new process to amend a previously filed Form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business, or TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

Recent IRS announcements

[Tax Tip 2012-01](#) IRS Offers Top 10 Tax-Time Tips

[IR-2012-5](#), IRS Offshore Programs Produce \$4.4 Billion to Date for Nation's Taxpayers; Offshore Voluntary Disclosure Program Reopens

[IR-2012-3](#), More Innocent Spouses Qualify for Relief under New IRS Guidelines

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