



i s s u e s

OUR BUSINESS IS SMALL BUSINESS

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UNEMPLOYMENT TAX UPDATE

Federal Unemployment Tax: Federal Unemployment Tax (FUTA tax) is figured quarterly, but the FUTA tax return (IRS Form 940) is filed only once a year. The deadline for filing this form for the 2011 tax year is January 31, 2012. However, if you have deposited all your FUTA tax when it was due, this deadline is extended to February 10, 2012.

Even though Form 940 covers a calendar year, you may have to deposit your FUTA tax before you file your return. You determine when to deposit your taxes based on the amount of your FUTA tax due each quarter. If your FUTA tax is \$500 or less in a quarter, you can carry it over to the next quarter and make no tax payment for that quarter. You continue carrying your tax liability over until your cumulative tax is more than \$500. At that point, you must pay the quarterly tax that is due.

If your FUTA tax for the fourth quarter of 2011 (plus any undeposited amounts from earlier quarters in 2011) is more than \$500, you should deposit the entire amount by January 31, 2012. If it is \$500 or less, you can either deposit the amount or pay it with your Form 940 by January 31, 2012. You must also include any additional taxes owed for credit reduction with your fourth quarter deposit (please see below for more details).

Because Florida still has loans from the federal government that we haven't paid back, Florida is a "credit reduction state" which means that Florida businesses lost .3% of their federal credit for the 2011 tax year. This means you may have to pay more FUTA tax when you file your Form 940 for 2011. Check the box on line 2 of the Form 940 and fill out Schedule A (Form 940) to determine how much additional tax you owe due to the credit reduction. If you have already filed your Form 940 and need to file an amended return to include the additional taxes owed, you can use the form you already filed. Please see the instructions for filing an amended return on page 4 of the 2011 Instructions for Filing Form 940, available from www.irs.gov.

State of Florida Unemployment Tax: State Unemployment Tax (SUTA) is calculated and paid on a quarterly basis. Most businesses pay a tax rate that is determined in large part by their own experience. The maximum tax rate is capped by state law at 5.4%.

Because the state unemployment trust fund continues to borrow from the federal government to pay unemployment benefits, Florida businesses are going to see their unemployment taxes for calendar year 2012 increase dramatically. For 2011, the tax per employee for those employers at the minimum tax rate was \$72.10 per employee; for 2012, it is going up to \$171.70 per employee.

In addition to this increase of around \$100 per employee, Florida employers will again pay a special assessment of approximately \$13 per employee to make payments on the interest owed to the federal government for money loaned to Florida's Unemployment Compensation Trust Fund.

You should have received your 2012 unemployment tax rate notice in the mail from the Florida Department of Revenue in December. The notifications of the interest payments will be sent in February 2012. The first quarterly unemployment tax payment will be due April 30th. The special interest assessment will be due June 30th.

FUBA is asking the Florida Legislature to stop this unemployment tax increase on businesses. If you are concerned about your state unemployment tax rate, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.

PAYROLL TAX CUT EXTENDED

Congress recently extended the federal payroll tax reduction for employees that has been in effect since January 2011. The Temporary Payroll Tax Cut Continuation Act of 2011 temporarily extends the 2% payroll tax cut for employees for 2 months, continuing the reduction of their Social Security tax withholding rate from 6.2% to 4.2% of wages paid through February 29, 2012. Please note: The employer's share for social security remains

unchanged and is still 6.2%.

Employers should use these tax rates as soon as possible but not later than January 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.

The IRS will be issuing additional guidance as needed to implement this new 2-month extension. If Congress acts to further extend the payroll tax cut, we will keep you updated in future newsletters.

POSTER UPDATE

The new poster that was going to be required by the National Labor Relations Board (NLRB) has been postponed yet again. The poster was scheduled to go into effect January 31st; however, the NLRB has delayed it to April 30, 2012. If and when this new poster does become effective, we will provide it to you free of charge as a benefit of your FUBA membership with the April edition of this newsletter.

Speaking of posters, your business may have received an official-looking piece of mail that says "Florida Businesses - Inside: 11 Federal and Florida Regulations Affecting your Employees. Immediate Response Requested." Inside is a mailer called "Update Notice" that looks like it was sent from the government. The mailer talks about compliance with labor law posting requirements and includes an order form for you to order posters.

If you look closely, you will see that this notice is from Personnel Concepts in San Dimas, California. This is a private poster company that is in the business of scaring small businesses into buying posters. Please don't be fooled!

As a benefit of your continued membership in FUBA, we will always alert you when new posters are required or old ones are revised, and we will provide you with these posters free of charge. As long as you maintain your membership with us, you can be certain that you are in compliance with all federal and Florida posting requirements, and you can throw mail like this directly in the trash.

If you ever have a question about whether a notice or solicitation your business receives in the mail is legitimate, please do not hesitate to call the FUBA offices at 800-262-4483 and ask for Karen, Lance or Erin.

CORPORATIONS AND LLC'S: TIME TO FILE YOUR 2012 ANNUAL REPORT

If your business is a corporation (INC) or a limited liability company (LLC), you should have already received an email message from the Florida Department of State, Division of Corporations. In the subject line of the email, it will say "Notice to File 2012 Annual Report for:" and list the name of your business.

This is not junk or spam email. This is your official notice from the State of Florida (and the only one you will get), reminding you to file your 2012 Annual Report with the Division of Corporations.

The Annual Report is used to confirm that the information the state has on file about your business is still accurate and up-to-date. It is also your opportunity to report any changes with your business to the state, like a change in address or adding a corporate officer. Please note: You file your Annual Report with the State of Florida's Division of Corporations; it is not filed with our office.

Annual reports have to be filed online at **www.sunbiz.org** by May 1, 2012. There is a link to this website in the email you should have received from the state Division of Corporations. All business entities must file their Annual Report with the state by May 1st to maintain "active" status (the annual report requirement does not apply to sole proprietors or general partnerships). Payment can be made by credit card, check or sunbiz account.

If you do not file your Annual Report by May 1st, you will be charged a \$400 late fee. This late fee cannot be waived, so please make sure to file this report now.

When you go to **www.sunbiz.org** to file your Annual Report, please make sure there is a banner at the top of the screen that says "Florida Department of State, Division of Corporations." If not, you are not on the official state website and could be the victim of a scam. Also, please be very skeptical of mail or emails you get from companies offering to file your corporate minutes with the State of Florida. A company called Compliance Services has sent out notices called "Annual Minutes Requirement Statement Directors and Shareholders" and wants \$125 to satisfy your annual minutes requirements. These notices are not from the State of Florida, and corporate minutes are not required to be filed with the state.

We will be reminding you about filing your Annual Report in this newsletter every month until the due date of May 1st. If you have any questions about your Annual Report, please call the FUBA offices at 800-262-4483 and ask for Karen, Lance or Erin.