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LAST REMINDER: CORPORATIONS AND LLC'S MUST FILE THEIR ANNUAL REPORTS BY MAY 1ST

As one last reminder: all corporations and LLC's that were formed in calendar year 2004 or prior must file their annual report with the Florida Department of State before May 1, 2005. **Every corporation and LLC must file an annual report yearly to maintain "active" status.** If the annual report is not filed, the business entity will be dissolved by the Division of Corporations.

The Annual Report is simply the way for you to update the routine information in the State's database about your company like your address, owner/officer information, and your registered agent. No financial or tax information is needed.

If you do not have any changes to report, you just simply sign and date the form and return it with a filing fee of \$150 if you are a corporation and \$50 if you are an LLC.

If you have added owners/officers to your business or moved locations, now is the time to tell the State of Florida by reporting it on your Annual Report. This is especially important if you have added an owner who needs to secure a workers' compensation exemption. They cannot apply for an exemption until they are listed as an office on the State of Florida's corporate database.

Failure to file your annual report by May 1st will result in a \$400 late fee and may result in the state dissolving your corporation or LLC. If your business entity is dissolved, you will lose your workers' compensation exemption since your company is no longer in good standing.

If you have any questions about your company's annual report, you can contact the Division of Corporations. Dial 850-245-6056 and press 4.

IRS ALLOWS DEDUCTIONS FOR SALES TAX

Florida residents may now qualify for an additional deduction on their federal income tax return. New for 2004, the law allows a deduction for state and local general sales taxes as an itemized deduction on Schedule A of Form 1040. IRS Publication 600 explains the new deduction in detail; you can obtain a copy of it from the Internal Revenue Services web site at www.irs.gov or by calling the IRS at 800-829-3676.

Florida has a general state sales and use tax rate of 6 percent. On top of that, counties may impose an additional rate. In Florida, this additional tax is called a discretionary sales surtax rate. The IRS calls it a local general sales tax rate. County rates may vary, and they are listed on Department of Revenue Form DR-15DSS. You can obtain it from the Department of Revenue website at www.myflorida.com/dor or by calling the Department at 800-352-3671 or 850-488-6800.

TIMELY REPORT ALL WORKPLACE ACCIDENTS

Florida's workers' compensation law requires employers who have workers' comp insurance to report all workplace accidents to their insurance carrier within 7 days of learning about the accident. Failure to report within 7 days can result in a fine from the State of Florida of up to \$2,000. In addition, failing to timely report claims to your insurance carrier jeopardizes your insurance and will most likely result in the immediate cancellation of your policy.

As soon as you become aware of an accident at your job that results in an employee's injury or

death, you should immediately contact your insurance carrier. Do not wait for the injured employee to hire an attorney to file the claim on his or her behalf.

If you are insured through FUBA Workers' Comp (the Florida Citrus, Business & Industries Fund), the number to report a claim is 800-444-9098.

Our claims staff can direct the injured employee to the nearest medical provider. In an emergency, you should seek immediate medical treatment and then notify us as soon as is practical.

HURRICANE RELIEF AVAILABLE

During the December 2004 special session of the Florida Legislature, lawmakers approved programs that will deliver up to \$185 million in relief to victims of the 2004 hurricane season.

The Legislature has provided \$150 million in assistance to Floridians who were required to pay more than one insurance deductible when their property was damaged by repeated storms. For more information on this aid, please read the January 2005 edition of this newsletter, or call the Florida Department of Financial Services at 800-22-STORM.

There are two forms of tax relief:

- Floridians may apply to their county property appraiser for up to \$1,500 in relief payments if they bought a mobile home to replace another mobile home that suffered major damage in a 2004 hurricane and which was their permanent residence. The relief payment will be calculated on the basis of how much sales tax was due on the purchase of the replacement of the mobile home, up to \$1,500. Applications to the property appraiser are due by May 1st. The mobile-home relief payment is capped at \$15 million total, so individual payments might be reduced in equal proportions to keep the total expense at \$15 million. The Florida Department of Revenue expects to send these relief payments to affected parties as soon as July.
- Floridians who had a homestead exemption in 2004 may apply to their county property appraiser for up to \$1,500 in relief payments. Taxpayers will receive relief payments based on how many

days the home was uninhabitable, multiplied by a daily proportion of the annual property tax on that property. Applications were due to the property appraiser March 1st.

Applicants are eligible for either the homestead exemption relief or the mobile home replacement, but not both. If you have any questions about these two programs, please call your local property appraiser.

NEW CONSTRUCTION INDUSTRY GUIDE NOW AVAILABLE FROM IRS

The Internal Revenue Service has released a newly-revised edition of the Construction Industry Guide. This very comprehensive publication contains new and revised information on tax compliance issues relating to the construction industry, including:

- Classifying workers as independent contractors v. employees
- Construction contracts
- General rules of accounting methods
- Issues for small contractors, such as selecting an accounting method, completion of a long-term contract, and alternative minimum tax
- Issues for large contractors, such as allocable contract costs, methods of accounting, and simplified cost-to-cost method
- Look-back interest
- Financial accounting v. tax accounting
- Homebuilders and developers
- Other tax issues in construction
- Income probes
- Construction joint ventures
- Alternative Resolution
- Electronic filing and paying of business taxes

The updated Construction Industry Guide can be accessed by visiting www.irs.gov/businesses/small/industries. Click on "Construction."