



FUBA
FLORIDA UNITED BUSINESSES ASSOCIATION

ISSUES

OUR BUSINESS IS SMALL BUSINESS

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STATE UNEMPLOYMENT TAXES UNCHANGED FOR 2017

For 2017, the minimum Florida reemployment tax (previously known as "unemployment tax") rate will be \$7.00 per employee per year, which is the same rate as 2016. This rate is a drastic reduction from just a couple years ago, when Florida employers paid as much as \$120.80 per employee.

Employers only pay reemployment taxes on the first \$7,000 in wages for each employee. Any wages over \$7,000 that an employee earns are not subject to state reemployment tax.

Employers who are at the maximum tax rate of 5.4% will continue to pay \$378 per employee per year (this amount is capped by Florida law).

Employers should have received their 2017 reemployment tax rate notice from the Florida Department of Revenue sometime in December. This tax rate will be effective for wages paid on or after January 1, 2017, and the first reemployment tax return for 2017 will be due to the Florida Department of Revenue by April 30, 2017 for wages paid in January, February and March.

UPDATE ON FLORIDA WORKERS' COMPENSATION RATES

An appeals court in Tallahassee has allowed the 14.5% increase in Florida workers' compensation rates to remain in effect. The

higher rates that took effect December 1, 2016, are the subject of a pending court challenge. Until the appeals court rules otherwise, new and renewal workers' compensation policies effective December 1, 2016 and after will be charged these higher rates.

NEW DEADLINE FOR FILING W-2's AND 1099's IS JANUARY 31ST

W-2's: Under a new federal law designed to help the Internal Revenue Service (IRS) detect and prevent tax refund fraud, employers must file all W-2's with the Social Security Administration by January 31, 2017. In the past, employers typically had until the end of February to file paper copies with the Social Security Administration or the end of March to submit electronic copies of these forms.

Employers are required to give a W-2 to all employees that the employer paid wages to and withheld income tax, social security tax, or Medicare tax from their wages. The W-2 tells the employee how much he or she was paid in wages from the employer for the calendar year and how much in income, social security and Medicare tax the employer withheld from those wages. The employee uses this information to file his or her taxes with the IRS.

1099's: The deadline to file 1099's with the IRS has also been moved up. A 1099 is required whenever your business makes a

payment of \$600 or more in one year to a non-corporate entity. While the deadline to issue and send 1099's to your subcontractors is still January 31, 2017, you must now file copies of these 1099's with the IRS by January 31, 2017.

NEW I-9 FORM REQUIRED STARTING JANUARY 21, 2017

Employers must complete an I-9 Form for each new employee hired. This form is used to verify that the employee is authorized to work in the United States.

The United States government has released a new version of the I-9 form that must be used for all new hires after January 21, 2017. The new I-9 Form is dated 11/14/2016 N. Employers may continue using the old version of the I-9 Form dated 3/8/13 N until January 21, 2017.

Employees complete Section 1 of the form at the time of hire, but no earlier than when they have accepted the job offer. The employer must then review the employee's documentation and complete Section 1 of the form within 3 business days of the hire.

The new version of the I-9 Form can be sent electronically to new hires and can be completed up to a certain point on a computer. The new form also contains instructions and drop-down boxes intended to help employees and employers complete it properly.

Please note that although the I-9 Form is available in Spanish, only employers in Puerto Rico may complete the Spanish version of the form. All other employers can use the Spanish version as a translation guide for Spanish-speaking employees, but they must complete and retain the English version.

Employers should retain each employee's I-9 form at their place of business – you are not required to send the I-9 to any governmental agency.

Keep the completed forms for three years after the employee's date of hire or for one year after the employment ends, whichever is later. An employer's I-9 Forms can be inspected by the United States government.

To download the new I-9 Form with instructions, please visit our website at **FUBA.org** and look under the "Small Business Alert" tab on the left-hand side of the page.

REMINDER: MINIMUM WAGE INCREASING JANUARY 1ST

This is a reminder that the Florida minimum wage is increasing to \$8.10 an hour on January 1, 2017. The cash wage required for tipped employees is also increasing to \$5.08 an hour. You should have received a new 2017 Florida minimum wage poster in last month's edition of the newsletter. If you did not receive one, please email us at **FUBA@FUBA.org** and include your name, business name, phone number and mailing address.

IRS STANDARD MILEAGE RATE DECREASING FOR 2017

The Internal Revenue Service (IRS) has announced that the standard mileage rate for the use of a car or other vehicle for business purposes for calendar year 2017 will be 53.5¢ per mile. This new standard mileage rate is a decrease from last year's rate of 54¢ per mile.

The standard mileage rate set by the IRS is used by many businesses to reimburse employees for mileage travelled in their personal vehicles for business reasons. Businesses always have the option not to use this standard rate and instead calculate the actual costs of using a vehicle for business purposes and reimbursing their employees for that cost.