



FUBA
FLORIDA UNITED BUSINESSES ASSOCIATION

ISSUES

OUR BUSINESS IS SMALL BUSINESS

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IRS MILEAGE RATE FOR 2022

The Internal Revenue Service has issued the 2022 standard mileage rate used by taxpayers claiming a mileage deduction for a vehicle they own or lease. For calendar year 2022, the mileage rate for using a vehicle for business purposes is increasing to 58.5 cents per mile driven. This is an increase of 2.5 cents from 2021's rate. Businesses that reimburse their employees for using their personal vehicles for business purposes typically use the standard mileage rate to determine the amount of reimbursement.

JANUARY 31ST IS AN IMPORTANT TAX FILING DEADLINE

If your business had employees or paid independent contractors in 2021, there are several important tax documents you must file by January 31, 2022.

Quarterly Tax Forms Due 1/31/22:

- **Florida Reemployment Taxes:** Businesses must file Form RT-6 (Employer's Quarterly Report) with the Florida Department of Revenue every quarter to report employee wages for the prior quarter and pay the state reemployment tax due. (The state of Florida calls unemployment tax "reemployment tax.") Forms are due to the Department of Revenue by the end of the month

following each calendar quarter: April 30, July 31, October 31, and January 31.

The RT-6 form due January 31st is for reporting your payroll for the last quarter of 2021 and is the last quarterly wage report for calendar year 2021. Keep in mind that because Florida reemployment tax is charged only on the first \$7,000 of wages paid to each employee, you may have very little tax to pay this late in the year. But you have to file an RT-6 every quarter, even if there is no tax due.

- **Federal Payroll Taxes:** Businesses must file Form 941 with the Internal Revenue Service every quarter to report employee wages for the prior quarter and to report the amounts withheld from employee wages for federal income tax, social security tax, and Medicare tax. Forms are due to the IRS by the end of the month following each calendar quarter: April 30, July 31, October 31, and January 31.

Even though the *forms* have to be filed quarterly, you must send the actual *payroll taxes* to the IRS more frequently. The IRS has rules that determine your deposit schedule – either monthly or semiweekly, depending on how much your prior year's tax liability was. While the last 941 of 2021 is due to the IRS by January 31st, the payroll taxes were due periodically throughout the year.

Annual Tax Forms Due 1/31/22:

- Wages Paid to Employees: Businesses must file a Form W-2 with the Social Security Administration for each employee by January 31st. This form shows the total wages you paid the employee in 2021 as well as the amount of income tax, social security tax, and Medicare tax you withheld from their paychecks.

File Copy A of each employee's W-2 with the Social Security Administration. You can mail paper copies or file them online at www.SSA.gov/employer. If you mail paper copies, include Form W-3, which is like a cover letter.

Give Copy B, C, and 2 to each employee by January 31st so they can use it to file their taxes. Keep copy D for your records.

- Amounts Paid to Non-Employees: Businesses must file a Form 1099-NEC for each independent contractor they paid at least \$600 to in the prior year. Please note: this is a different version of the 1099 form than you may have used in the past. NEC stands for Non-Employee Compensation. Prior to 2020, businesses used the 1099-MISC for reporting amounts paid to an independent contractor, but the 1099-MISC version is now used only in limited circumstances, like payments a business makes to an attorney. Businesses should no longer be using the 1099-MISC form to report payments to non-employees and should be using the 1099-NEC instead.

Issue 1099s to each individual, sole proprietor, and partner you paid at least \$600 to in 2021. In most circumstances, you do not have to issue a 1099 to corporations or limited liability companies (LLCs) that are treated as a C or S corporation for federal tax purposes.

File copy A of each 1099 with the IRS. You can mail paper copies or file them online with the IRS through the FIRE system (Filing Information Returns Electronically) at <https://www.irs.gov/e-file-providers/filing-information-returns-electronically-fire>. If you mail paper copies, include Form 1096, which is like a cover letter.

Give copy B to the independent contractor by January 31st so they can use it to file their taxes. Keep Copy C for your records.

This is a very oversimplified explanation of general tax filings for businesses. It is not intended to provide accounting advice. For more details or for specific questions about your business, please consult your local tax professional or accountant.

REMINDER: NO MINIMUM WAGE INCREASE IN JANUARY

This is the first January since 2004 that Florida has not had a new minimum wage rate. For the past seventeen years, Florida businesses have had to implement a new Florida minimum wage each January 1st. This schedule was changed dramatically by a constitutional amendment Florida voters approved in November 2020.

Starting in 2021, the schedule for updates to Florida's minimum wage changed to September instead of January. The minimum wage will increase by \$1 at the end of each September and remain in effect until the next September, until it is \$15 an hour in September 2026.

The current minimum wage for Florida is \$10.00 an hour (\$6.98 for tipped employees) effective September 30, 2021 through September 20, 2022. Florida businesses must pay all employees at least the Florida minimum wage for each hour they work.