



FUBA
FLORIDA UNITED BUSINESSES ASSOCIATION

ISSUES

OUR BUSINESS IS SMALL BUSINESS

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NEW LAW REQUIRES SMALL BUSINESSES TO REMIT SALES TAX ELECTRONICALLY

Effective January 1, 2023, if your business collected \$5,000 or more in Florida sales tax last year, you will have to start filing your sales tax returns and remitting the collected sales tax electronically on the Florida Department of Revenue's website. You will no longer be allowed to mail a paper sales tax return with a check to the Florida Department of Revenue.

This change, which was approved by the Florida Legislature and signed into law by the Governor in June 2022, will affect a lot of Florida small businesses. Previously, the threshold for filing and paying electronically was \$20,000 in sales tax a year.

Before you can file and pay electronically, you have to register your business with the Florida Department of Revenue's e-services at taxapps.floridarevenue.com/EEenrollment/. After you enroll, you will receive a login and password to use to log into the Department of Revenue's secure filing portal at ritx-fl-sales.bswa.net/ to report and pay sales tax.

Businesses collecting more than \$1,000 annually in sales tax must file monthly sales tax returns, even if no sales tax is due. Returns and payments are due by the 20th day of the following month. You must initiate your

electronic payment and receive a confirmation number no later than 5:00 pm on the business day prior to the 20th to avoid late penalties.

MILEAGE RATE FOR 2023

The Internal Revenue Service is increasing the 2023 standard mileage rate to 65.5 cents per mile driven for business use. This new rate is effective January 1, 2023 and is a 3-cent increase over the mid-year increase that took place in July 2022.

The standard mileage rate for business use is used by taxpayers claiming a mileage deduction for a vehicle they own or lease. 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 2022, there are several important tax documents you must file by January 31, 2023.

Quarterly Tax Forms Due 1/31/23:

- **Florida Reemployment Taxes:** Businesses must file Form RT-6 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 2022**. Because Florida reemployment tax is charged only on the first \$7,000 of wages paid to each employee, you may have very little state reemployment 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 deposit the actual *payroll taxes* with the IRS more frequently. The IRS has rules that determine your depositing schedule – either monthly or semiweekly, depending on how much your prior year’s tax liability was. While the last 941 of 2022 is due to the IRS by January 31st, the payroll taxes were due periodically throughout the year.

Annual Tax Forms Due 1/31/23:

- **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 2022 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 **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. 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.

Issue 1099s to each individual, sole proprietor, and partner you paid at least \$600 to in 2022. 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 at **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. For details or for specific questions about your business, please consult your local tax professional or accountant.