



issues

OUR BUSINESS IS SMALL BUSINESS

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YOUR NEW SMALL BUSINESS ADVISOR IS ENCLOSED

As a benefit of your membership in FUBA, Florida's small business watchdog, we are proud to present the 2006 Small Business Advisor. This book provides detailed explanations of laws important to small businesses, and a helpful listing of government agency contacts is also included. The Small Business Advisor covers:

- **Employee Compensation** – topics include meal and rest breaks, overtime pay, required records, child labor, minimum wage, and industry-specific problems.
- **Unemployment Compensation** – topics include when to report employee wages, how to pay unemployment tax, what to do when an employee files for unemployment benefits, and how to use a 90-day probationary period to avoid paying unemployment benefits.
- **Workers' Compensation** – topics include who is required to have workers' comp insurance, how to exempt from workers' comp, and what to do when an employee is injured on the job.
- **Handling Worthless Checks** – topics include what information should be taken from a check writer, what to do when you receive a bad check, and how to collect on a bad check.
- **Americans with Disabilities Act** – topics include who has to comply with the ADA, what you can ask during a job interview, and which disabilities are covered by the ADA.
- **Government Contacts** – this section lists all state and federal agencies that regulate or provide assistance to small businesses, along with their phone number and web address.

We hope you find the Small Business Advisor helpful. Additional copies are available for \$20 plus tax and shipping. To order additional copies, please call the FUBA offices at 800-262-4483 and ask for the Membership Department.

MINIMUM WAGE UPDATE

During the recent Special Session of the Florida Legislature, lawmakers approved a bill that implements Florida's new minimum wage provision. Senate Bill 18-B, sponsored by Senator JD Alexander (R-Lake Wales), was signed into law by Governor Jeb Bush on December 12, 2005, and became effective on that date.

While the bill does not prevent the state minimum wage from going up every year, it does have several important provisions:

- It requires the Florida Agency for Workforce Innovation and the Florida Department of Revenue to publish the new minimum wage each year on their websites.
- It requires employees to notify their employer first before they can file a lawsuit arguing they are not receiving the proper minimum wage.
- It gives employers 15 calendar days to resolve an employee's claim for unpaid wages before the employee can file an actual lawsuit.
- It limits the damages the court can award an employee to just unpaid wages if the court determines the employer acted in good faith and had reasonable grounds for believing their action was not in violation of the constitution.
- It prohibits a court from awarding punitive damages against an employer.

As we told you in last month's newsletter, **the Florida minimum wage is \$6.40 starting January 1, 2006.**

Please note: there is still no requirement that employers post any kind of notice or give employees any kind of information on the state minimum wage. Do not let poster companies scare you into buying an unnecessary poster! As a benefit of your FUBA membership, we gave you a poster in last month's newsletter that you could put up at your workplace if you choose. You are not required to post it. If you have any questions about Florida's minimum wage, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.

INTANGIBLE TAX RATE REDUCED

Florida's intangible tax rate is going down again in 2006. The intangible tax is collected on the value of your stocks, bonds, mutual funds, and certain other financial assets, as of each January 1st. Intangible tax is not paid on the values of accounts receivable, checking accounts, savings accounts, IRA's, Certificates of Deposit, money market accounts offered through a financial institution, and government bonds.

The old intangible tax rate is 1 mill, which is \$1 for every \$1,000 in assets. During the 2005 Session of the Florida Legislature, lawmakers approved a new law that cuts the intangible tax in half, from 1 mill to 0.5 mill. This new rate of 0.5 mill is effective January 1, 2006, for intangible tax due by June 30, 2006.

For individual filers, the first \$250,000 of taxable assets are exempt from tax. Assets above \$250,000 are taxed at 50 cents per \$1,000 of value.

For joint filers, the first \$500,000 of total taxable assets are exempt. Assets above \$500,000 are taxed at 50 cents per \$1,000 of value.

For corporations, partnerships and estates, the first \$250,000 of total taxable assets are exempt. Assets above \$250,000 are taxed at 50 cents per \$1,000 of value.

As in the past, taxpayers are not required to pay the intangible tax if the amount they owe is less than \$60.

Because of the rate reduction, some taxpayers who paid intangible tax in 2005 will owe no tax this year and will not receive a tax return from the Department of Revenue. Businesses and individuals

that owe the tax should receive a tax return from the Department of Revenue by the second week of January.

ATTENTION CORPORATIONS AND LIMITED LIABILITY COMPANIES (LLC'S): FILE YOUR ANNUAL REPORT NOW!

If you are a corporation (INC) or limited liability company (LLC), you are required by state law to file an Annual Report with the Florida Department of State every year and pay the appropriate filing fee. The Annual Report costs \$150 for corporations and \$50 for LLC's. It is simply a way for you to update the State of Florida on any changes to your company's information, such as your address, any added or deleted corporate officers, etc. No financial or tax information is required.

The Department of State has mailed all corporations and LLC's a postcard-sized Annual Report Notice; if you did not get one and your corporation or LLC was formed in 2005 or before, you should call the Division of Corporations immediately. The number for corporations to call is 850-245-6056. The number for LLC's to call is 850-245-6051. Tell them you did not get your postcard.

If you added or deleted corporate officers in 2005, now is the time to tell the State by reporting the new officers or deleted officers on your Annual Report. This is very important if you are in the construction industry and you have added an officer who needs to get a workers' compensation exemption. Corporate officers and LLC owners cannot apply for or receive a workers' comp exemption until they are listed on the State of Florida's corporate database.

If you do not report changes to your business information on your Annual Report, you will have to pay an additional fee to file an amendment to your Articles.

Your Annual Report is due by May 1st. If you do not file it by that time and pay the appropriate fee, the state will assess a \$400 file and possibly dissolve your corporation or LLC. If this happens, you can lose your workers' compensation exemptions because your company is no longer in good standing with the State. Every corporation and LLC formed in 2005 and before must file an Annual Report. Those corporations and LLC's formed in 2006 do not have to file an Annual Report until next year.