



issues

OUR BUSINESS IS SMALL BUSINESS

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TAX CALENDAR FOR JULY

Florida employers have 2 employment-rated tax deadlines in July: Form 941 for your federal payroll tax and Form UCT-6 for your state unemployment tax. Both of these forms are due July 31st. A brief explanation of each follows.

Form 941/Employer's Quarterly Federal Tax Return (for federal payroll tax):

Who must file a Form 941?

- Federal law requires all employers to withhold taxes from your employees' paychecks. Each time you pay wages, you must take out of your employees' paychecks certain amounts for federal income tax, social security tax and Medicare tax. Federal law also requires you to pay any liability for the employer's portion of social security and Medicare taxes. This portion of social security and Medicare taxes is not withheld from employee paychecks.

What do I report on Form 941?

- Wages you have paid
- Tips your employees have received
- Federal income tax you withheld
- Both the employers' and the employee's share of social security and Medicare taxes

Are there exceptions?

- Certain small employers must file Form 944 (Employer's ANNUAL Federal Tax Return) rather than Form 941. The IRS notifies these employers in February of each year.
- Seasonal employers do not have to file a Form 941 for quarters in which they have

no tax liability because they have paid no wages.

- Employers of farm employees do not usually file Form 941.

When must I file?

- File your initial Form 941 for the quarter in which you first paid wages that are subject to social security and Medicare taxes or subject to federal income tax withholding.
- Then you must file every quarter after that – every 3 months – even if you have no taxes to report, unless you are a seasonal employer or are filing your final return because your business has closed. Your Form 941 is due by the last day of the month that follows the end of a quarter.
 - For the January/February/March quarter, the form is due April 30.
 - For the April/May/June quarter, the form is due July 31.
 - For the July/August/September quarter, the form is due October 31.
 - For the October/November/December quarter, the form is due January 31.
- If any due date shown above falls on a Saturday, Sunday or legal holiday, you may file your return on the next business day.

UCT-6/Unemployment Compensation Tax/Employer's Quarterly Report (for state unemployment tax):

Who must file a UCT-6?

- Florida employers pay for unemployment compensation through a tax managed by the

Florida Department of Revenue. Workers do not pay unemployment tax, and you cannot make payroll deductions for this cost. You must pay unemployment tax if you meet any of the following conditions:

- You have quarterly payroll of \$1,500 or more in a calendar year.
 - You have one or more employees for a day (or portion of a day) during any 20 weeks in a calendar year.
 - You are an agricultural employer and have 5 or more workers for a day during any 20 weeks in a calendar year, or a \$10,000 cash payroll in any calendar quarter.
- You must file the UCT-6 form and pay the tax electronically if you employed 10 or more employees in any quarter during the period from July 1st through June 30th.
 - Unemployment taxes are paid on the first \$7,000 of wages paid to each employee per year.

What do I report on the UCT-6?

- You must list total wages paid to your employees. Wages include commissions; bonuses and back pay awards; severance pay; vacation pay, and tips and gratuities if the amount exceeds \$20 a month.
- You must also show each employee's name, social security number and total wages paid during the period.

When must I file?

- A new business must report its initial employment in the month following the calendar quarter in which employment begins.
- After that, you must file quarterly, unless you are given permission to file once a year.
- You must file a UCT-6 each quarter even if no tax is due and even if you paid no wages in the quarter. Your UCT-6 is due by the last day of the month following the end of a quarter.

- For the January/February/March quarter, the form is due April 30.
- For the April/May/June quarter, the form is due July 31.
- For the July/August/September quarter, the form is due October 31.
- For the October/November/December quarter, the form is due January 31.

FREE TAX WORKSHOPS AVAILABLE

The Florida Department of Revenue holds free taxpayer education seminars about Florida tax laws to help businesses better understand their tax reporting and compliance responsibilities. Topics include sales tax, unemployment tax, and electronic filing and payment of taxes. These workshops are available in a variety of cities across the state; all are free of charge. For a list of upcoming workshops in your area, visit the Department of Revenue's website at <http://dor.myflorida.com/dor/gta.htm>. Under "Tax Information," click on "Free Tax Seminars." Or, visit the FUBA website at www.fuba.org and click on the Small Business Alert tab. If you do not have Internet access, we can fax you the list of workshops; just call the FUBA offices at 1-800-262-4483 and ask for Karen, Lance or Erin.

IRS INCREASES MILEAGE RATES

Due to recent gasoline price increases, the Internal Revenue Service ("IRS") has increased the standard mileage rates for the final six months of 2008. The rate is now 58.5 cents a mile for all business miles driven from July 1, 2008, through December 31, 2008. This is an increase of eight cents a mile from the 50.5 cent rate that was in effect January 1, 2008 through June 30, 2008. This rate is used by many businesses to reimburse employees for mileage travelled in their personal vehicles for business reasons, in lieu of tracking the actual costs of operating an automobile for business costs.