



# FUBA

Florida United Businesses Association

# issues

## OUR BUSINESS IS SMALL BUSINESS

### JULY 2010

### Volume XX, No. 7

#### **ASSISTANCE FOR BUSINESSES IMPACTED BY THE BP OIL SPILL**

**Claims Filing:** Florida's coastal businesses are eligible to make loss-of-earnings claims for damages incurred as a result of the Deepwater Horizon oil spill. The 2 primary concerns from the spill are property damage and loss of earnings due to business interruption.

Businesses can file a claim one of 3 ways:

- Visit [www.bp.com/claims](http://www.bp.com/claims)
- Call 1-800-440-0858
- Visit one of the 25 BP Claim Centers (locations are online at [bp.com/claims](http://bp.com/claims))

**Loans:** Small Business Emergency Loans are available through the Florida Small Business Development Center (SBDC). The program provides emergency, short-term loans to established small businesses in designated Florida counties. Applications are available from the Florida First Capital Finance Corporation, 850-681-3601. The Florida SBDC also provides disaster assistance for businesses and can assist with loan applications. The SBDC statewide toll-free number is 866-737-7232.

The federal Small Business Administration (SBA) is also offering loans for small businesses impacted by the oil spill. Any small business that is located in one of the 19 Florida counties in the declared economic disaster area may apply for a working capital loan up to \$2 million, at an interest rate of 4% with terms up to 30 years. These loans may be used to pay payroll, fixed debts, accounts payable and other bills. In addition, small businesses within the 19 counties who have existing SBA loans may qualify for up to 12-month deferments on their payments.

Representatives from the Small Business Administration are available Monday through Friday at the Mobile Assistance Center in Pensacola, 8:00 a.m. to 5:00 p.m. You can also call the SBA at 800-659-2955 or going online at [sba.gov/services/disasterassistance](http://sba.gov/services/disasterassistance). The deadline to apply for these loans is February 14, 2011.

**Tax Relief:** Businesses affected by the oil spill that owe taxes to the Florida Department of Revenue but cannot pay them have several options. Start by calling the Department at 800-352-3671 or visiting your local service center to discuss options that are available on a case-by-case basis. Some options that may be available are:

- If a business encounters difficulty in paying their Florida taxes that are due, the DOR can enter into payment plans with the business.
- The DOR can waive late filing penalties.
- Unemployment taxes can be paid in installments.
- Florida will offer a Tax Amnesty Program from July 1st to September 30th. Installment plans will be available during the amnesty program. (See article below for more information on the Tax Amnesty Program.)

#### **FLORIDA TAX AMNESTY STARTS JULY 1ST**

Florida taxpayers, including businesses, will be able to pay overdue taxes with no penalty and reduced interest during Florida's Tax Amnesty Days, July 1st through September 30th, 2010. Tax amnesty applies to state and local option tax liabilities that were due before July 1, 2010.

Taxes and fees eligible for tax amnesty include:

- Communications services tax

- Corporate income and emergency excise tax
- Doc stamp tax
- Sales and use tax
- Sold waste and surcharge fees (rental car surcharges, tire and battery fees, gross receipts tax on dry cleaning)

Through this program, a business that submits an Amnesty Agreement can avoid paying a penalty and can pay only 1/2 the interest owed if they:

- Are reporting a tax liability that the Department of Revenue did not know about;
- Are filing their tax return late;
- Have not registered to collect the tax; or
- Are responding to a self-audit request.

A business that submits an Amnesty Agreement can pay not penalty and only 3/4 of the interest due if they are responding to a bill, delinquency, audit, or other assessment issued by the Department of Revenue.

Taxpayers assessed a 10% administrative collection processing fee must still pay this fee (the fee will be calculated on the full amount of tax, penalty, and interest due before making any reductions under the tax amnesty program).

**Please note: unemployment taxes are not eligible for tax amnesty.**

For more information on the Tax Amnesty Program, please call the Florida Department of Revenue at 800-352-3671 or visit their website at [www.myflorida.com/dor](http://www.myflorida.com/dor).

**HEALTH CARE TAX CREDIT AVAILABLE**

Small businesses that pay at least half the cost of health insurance for their employees in 2010 may be eligible for a new credit on their 2010 tax return. The credit is available for employers with 25 or fewer employees and less than \$50,000 in average wages. For tax years 2010 to 2013, the maximum credit is 35% of premiums paid by eligible small businesses. The maximum credit goes to smaller employers – those with 10 or fewer full-time equivalent employees and paying annual average wages of \$25,000 or less. For more

information, you can go to the Internal Revenue Service’s website at [www.IRS.gov](http://www.IRS.gov), or consult with your local tax professional.

**LEGISLATIVE UPDATE**

This concludes our summary of bills that were approved by Florida lawmakers during the recent Legislative Session. If you have any questions about the bills summarized below, please call the FUBA offices and ask for Karen, Lance or Erin.

**Construction**

**House Bill 663** changes the way building permit surcharges are calculated, in an effort to increase the amount of dollars going into the Residential Construction Industry Recovery Fund. The bill also allows licensed contractors to perform home inspections and mod inspections and to also do the repair work.

**House Bill 7157** deals with the purchase of construction materials for public works projects. The new law clarifies that, under the sales tax exemption for tangible personal property by a governmental entity with used for public works, the responsibility for any tax, penalty and interest found later to be owed on such transactions shall belong to the governmental entity, not the contractor performing the work. The governmental entity will be required to provide a certificate of entitlement to the vendor and the contractor in order to take the exemption. This certificate must contain an affirmation by the governmental entity that it will be responsible for the tax, penalty and interest, if any is later found to be outstanding. This new law does not apply to federal government public works contracts.

**House Bill 7243** requires new commercial and multifamily construction projects to provide for recycling, if the project is located in a county with an established recycling program.

**Taxes**

**House Bill 163** deals with the 50-cent fee that is imposed on all communications services sold in the state. This new law provides that retailers selling prepaid calling arrangements or prepaid wireless service do not have to collect this fee.