



ATTENTION CORPORATIONS: TAX FILING REMINDER

Corporations must file their federal income tax returns for 2008 by March 17th. Below please find more details:

- **Corporations:** By March 17th, a corporation must file its 2007 calendar year income tax return (Form 1120 or 1120-A) and pay any tax due. For an automatic 6-month extension of time to file the return, file Form 7004, Application for Automatic 6-Month Extension of Time to File Certain Business Income Tax, Information, and Other Returns, and deposit what you estimate the corporation owes. Remember: extensions only apply to the filing of your return; the tax is still due.
- **S Corporations:** By March 17th, an S Corporation must file a 2007 calendar year income tax return (Form 1120S) and pay any tax due. Provide each shareholder with a copy of Schedule K-1 (Form 1120S), Shareholder's Share of Income, Deductions, Credits, etc, or a substitute Schedule K-1. For an automatic 6-month extension of time to file the return, file Form 7004 and deposit what you estimate the corporation owes.
- **S Corporation election:** If a corporation wishes to make the "S Corporation" election and have its profits taxed individually to the owners, it must file Form 2553, Election by a Small Business Corporation. If this form is filed by March

17th, the election will be effective beginning with calendar year 2008. If the form is filed after March 17th, the S election will begin in 2009. If the corporation does not file Form 2553, it will remain a C Corporation, which means the corporation's profits will be taxed as a corporation using the corporate tax rates.

NEW CONTINUING EDUCATION REQUIREMENTS FOR CERTIFIED AND REGISTERED CONTRACTORS WHO HOLD STATE LICENSES

House Bill 7163 (from the 2007 Legislative Session) revised the continuing education requirements for both certified and registered contractors licensed by the Construction Industry Licensing Board. All certified and registered contractors must now complete one hour of laws and rules-related continuing education as part of the 14 hours that are currently required during each licensure cycle.

Enforcement of the new one-hour requirement will begin with the expiration of **certified** licenses on August 31, 2008, and the expiration of **registered** licenses on August 31, 2009. Those licensees not in compliance with all continuing education requirements by the expiration date of their licenses may face non-renewal of their license or disciplinary action.

The following categories of state-issued registered and certified licenses are affected by this change: general; building; residential; sheet metal; roofing; A/C; mechanical; swimming pool/spa; plumbing;

underground utility and excavation; solar; and pollutant storage. For more information, contact the Construction Industry Licensing Board at 850-487-1395.

LEGISLATIVE UPDATE

The Florida Legislature is currently in Session for 2008, and lawmakers are debating a number of bills important to small businesses. Two such issues currently under discussion relate to health insurance and workers' compensation, both of which dramatically affect small businesses.

Health Insurance:

Governor Crist is offering a new health care proposal for consideration this Session. The proposal is called the "Cover Florida Health Care Access Act" and creates a new health insurance product called Consumer Choice Benefit Insurance Plans. If approved by the Legislature, these plans would be a scaled-back insurance policy available to uninsured individuals and would provide a level of health insurance coverage for far less premium than a traditional policy. The proposal would allow health insurance providers the flexibility to cover (or not) a number of mandated health benefits that are, by law, currently required in a standard health insurance policy and that are currently the major cost-driver of health insurance policies. This provision is considered the key aspect of providing a health insurance option at a lower cost. These policies would also be guarantee issue policies so if a policy is purchased, the health insurance provider must offer the coverage.

These policies are not meant for everyone but they would provide an alternative to the standard insurance policies currently required by law and that many employers are not able to offer to their employees because it may be unaffordable.

The basic details of the proposed Consumer Choice Benefit Insurance Plans are:

- Employers would not be required to purchase this insurance for their employees.
- The Plans would be guaranteed-issue to uninsured Floridians aged 19 to 64.
- The Plans would offer multiple benefit options.
- The Plans would include a package of preventative care (i.e., routine checkups), primary care and urgent care benefits, including hospitalization.
- The Plans allow (not require) employers to offer and share the cost of the insurance with their employees.
- The proposed estimated cost for the plans would be targeted at \$150 per month or less.

FUBA recognizes the need for small businesses and individuals to have access to affordable health insurance, so we have joined with other business groups to support Governor Crist's health care plan. We will keep you updated on the status of this proposal as it moves through the Legislature during the coming weeks.

Workers' Comp:

Senate Bill 2548 by Senator Wise would remove one of the key portions of the 2003 workers' compensation reforms that led to an average decrease in premiums of over 50% since 2003. The bill would eliminate the current caps on attorneys' fees that have played a large role in reducing workers' comp costs for Florida employers. This bill would also allow injured workers to choose as many doctors as they like to consult with and treat their injuries without consent from their employers or the employer's insurance carrier. FUBA does not support this legislation as filed because it would certainly increase workers' comp rates for businesses.

If you would like more information about the above two proposals, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.