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UPDATE ON GRANDFATHERING DEADLINE EXTENSION

In last month's newsletter, we told you about the extension of the grandfathering application period for locally registered contractors to become state certified. That new deadline is November 1, 2005. Applications must be postmarked by that date to be considered.

Please note: **Electrical contractors are not eligible for this extended deadline.** The deadline for locally registered electrical contractors to submit an application to become statewide certified has already passed.

Only contractors with a local license in the following areas are eligible for grandfathering: General; Building; Residential; Roofing; Air Conditioning Class A, B or C; Mechanical; Plumbing; Sheet Metal; Commercial Pool/Spa; Residential Pool/Spa; Swimming Pool/Spa Servicing; Underground Utility; Pollutant Storage Systems; or Solar.

Grandfathering applications are available on the Construction Industry Licensing Board's website: www.myflorida.com/dbpr/pro/cilb/cilb_index.shtml. Or, you can call the FUBA offices at 1-800-262-4483 and ask for Karen or Lance.

FLORIDA'S MINIMUM WAGE GOING UP AGAIN IN JANUARY

Thanks to an amendment to Florida's Constitution that was approved by voters last November, Florida now has a state minimum hourly wage that must be paid to all workers who were

previously entitled to receive the federal minimum wage. Florida's current minimum wage, which went into effect on May 2, 2005, is \$6.15 an hour.

However, the constitutional amendment requires that a **new** minimum wage be established every year in September, increasing the minimum wage to account for inflation. The new minimum wage will become effective the following January each year.

The new minimum wage for 2006 will be \$6.40 per hour, which is an increase of 25 cents per hour over the current minimum wage. Effective January 1, 2006, employers must pay at least \$6.40 per hour to all qualifying employees.

For tipped employees (i.e., restaurant servers), employers may count tips received as part of the hourly wage, but tipped employees must be paid a direct wage in an amount equal to the minimum wage of \$6.40 minus \$3.02 (called the "tip credit"). The bottom line is that tipped employees must be paid a direct hourly wage of at least \$3.38 starting January 1, 2006.

Employees who are not paid the correct minimum wage amount may bring a civil action in court against their employer for violating Florida's minimum wage law. The state Attorney General may also bring an enforcement action against an employer to enforce the minimum wage.

Please note: **no new poster is required for the increased minimum wage.** Don't be scared by poster companies into believing you need to buy any kind of notice to comply with the new minimum wage.

If you have any questions about the new minimum wage for 2006, please call the FUBA offices and ask for Karen or Lance.

STATE EXTENDS DEADLINE FOR FILING TAXES IN SOME COUNTIES

The Florida Department of Revenue has extended the filing deadline for some state taxes in counties that were affected damaged by Hurricane Katrina and Hurricane Rita. The extensions apply only to those counties listed below:

- **Intangible Tax:** For Broward, Miami-Dade and Monroe counties, the deadline for filing and paying intangible taxes is extended until January 18, 2006. (Keep in mind that the intangible tax was supposed to be paid on or before June 30, 2005.)
- **Corporate Income Tax:** For Broward, Miami-Dade and Monroe counties, corporate income tax payments and returns have been extended until January 18, 2006.
- **Sales Tax:** For Monroe county, businesses had until September 27, 2005, to remit sales tax.
- **Sales Tax:** For Miami-Dade and Broward counties, businesses had until September 21, 2005, to remit sales tax.

FEDERAL GOVERNMENT EXTENDS FEDERAL TAX DEADLINES FOR SOME FLORIDA COUNTIES

Taxpayers affected by Hurricane Katrina now have until February 28, 2006, to file tax returns, pay any taxes due and perform other time-sensitive acts. Taxpayers affected by the hurricane may be eligible for tax relief, regardless of where they live.

For taxpayers located in the areas hardest hit by Katrina – those counties designated by FEMA as “individual assistance areas” – the tax relief will be automatic, and taxpayers won’t need to do anything to get the extensions and other relief available.

In areas where FEMA has determined the damage to be more isolated – designated as “public assistance areas” – or for other taxpayers outside the hardest-hit areas whose books, record or tax professionals are located in the affected areas, people will need to identify themselves to the IRS as hurricane victims. [Florida is considered a “public assistance area.”]

Taxpayers who need to identify themselves as hurricane victims should write “Hurricane Katrina” in red ink at the top of their tax forms or any other

documents filed with the IRS. Taxpayers who need to alert the IRS or have other hurricane-related questions can also call the special IRS disaster hotline at 1-866-562-5227.

The IRS will waive penalties that would normally be imposed for late filing, late payments, and failures to deposit. This relief includes:

- the September 15th and January 15th due dates for estimated taxes for individuals;
- the September 15th and December 15th due dates for estimated taxes for corporations;
- the September 15th due date for calendar-year corporate returns with automatic extensions;
- the October 17th deadline for individuals who received a second extension for filing their individual income tax returns;
- the October 31st and January 31st deadlines for filing quarterly federal employment and excise tax returns; and
- employment and excise deposits due on or before February 28, 2006.

In addition, any disaster-area taxpayer who receives a penalty notice from the IRS should call the number on the notice to ask that the penalties be waived.

The postponement of deadlines, interest suspension, and waiver of penalties apply to any tax return, tax payment or tax deposit with an original or extended due date falling on or after August 29, 2005. In Florida, where Katrina hit first, the date is on or after August 24, 2005.

Depending on the extent of their damage from the hurricane, different states receive different relief. In Florida, taxpayers will receive tax relief if they identify themselves as being impacted by Hurricane Katrina and they live in any of these 11 Florida counties designated as “public assistance areas:” Bay, Broward, Collier, Escambia, Franklin, Gulf, Miami-Dade, Monroe, Okaloosa, Santa Rosa, and Walton. The extension to file and pay does not apply to information returns in the W-2, 1098, 1099, or 5498 series, or to Forms 1042-S or 8027. However, the IRS will consider waiving penalties for failure to timely file information returns on a case-by-case basis.

For victims of Hurricane Rita, the IRS has extended deadlines to February 28, 2006.