



CLIENT NEWSLETTER

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HAPPY NEW YEAR!!

\$\$\$ FULLY FUND YOUR PLANS \$\$\$

If you are born in 1964 or earlier, and participate in IRA, 401(k), 403(b) or SIMPLE plans, you are entitled to make additional "catch up" contributions. The additional contribution is not limited to just one plan. If you have a 401(k) and an IRA, you may 'catch up' in both. For 2014, limits are as follows:

PLAN TYPE	MAX. CONT.	CATCH-UP
IRA	\$ 5,500	\$1,000
401(K)	17,500	5,500
403(B)	17,500	5,500
SIMPLE	12,000	2,500

HIGHER FLORIDA MIN WAGE

Effective January 1, 2014, the Florida Minimum Wage increased to \$7.93/hr. This wage supercedes the current federal guideline of \$7.25/hr. Several states do not have a mandatory minimum wage, and default to the federal standard. This increase puts Florida \$0.68 higher than the federal minimum, a path that we've been following since 2012. Despite this increase, business also gets a break in 2013 and 2014 with federal unemployment taxes. The interest assessment by the feds for the loans made to the FL reemployment system are paid off so no more additional fees are required. Reemployment benefits are capped at 26 weeks and the most a worker can receive is \$275/wk (and, yes, the benefits are taxable).

A full time worker making Florida's new minimum wage will make \$16,494.40 annually.

IRS TELEPHONE SCAM

Victims are told they owe money to the IRS and it must be paid promptly through a pre-loaded debit card or wire transfer. If the victim refuses to cooperate, they are then threatened with arrest, deportation or suspension of a business or driver's license. In many cases, the caller becomes hostile and insulting.

"This scam has hit taxpayers in nearly every state in the country. We want to educate taxpayers so they can help protect themselves. Rest assured, we do not and will not ask for credit card numbers over the phone, nor request a pre-paid debit card or wire transfer," says IRS Acting Commissioner Danny Werfel. "If someone unexpectedly calls claiming to be from the IRS and threatens police arrest, deportation or license revocation if you don't pay immediately, that is a sign that it really isn't the IRS calling." Werfel noted that the first IRS contact with taxpayers on a tax issue is likely to occur via mail.

Other characteristics of this scam include:

- Scammers use fake names and IRS badge numbers. They generally use common names and surnames to identify themselves.
- Scammers may be able to recite the last four digits of a victim's Social Security Number.
- Scammers spoof the IRS toll-free number on caller ID to make it appear that it's the IRS calling.
- Scammers sometimes send bogus IRS emails to some victims to support their bogus calls.
- Victims hear background noise of other calls being conducted to mimic a call site.
- After threatening victims with jail time or driver's license revocation, scammers hang up and others soon call back pretending to be from the local police or DMV, and the caller ID supports their claim.

If you get a phone call from someone claiming to be from the IRS, here's what you should do: CALL OUR OFFICE!

LLC LAW CHANGE

Effective January 1, 2014, Florida has adopted a new Limited Liability Company Act. Newly formed entities must comply with the new law, but previously formed companies are not held to the new standards until January 1, 2015, giving all time to come into conformity with the law changes. The new act modernizes the state law which has not kept pace with changes in the commercial use of LLCs, borrowing from other influential commercial law states like Delaware, as well as the American Bar Association Revised Prototype LLC Act.

The New Act eliminates the term "managing member" so that LLCs are either "member-managed" or "manager-managed." Any LLC previously deemed to operate under a "managing member" will be deemed to be member-managed. Actions previously authorized by a managing member must now be approved by a majority of the owners. If the LLC wishes to have decision making authority rest with one individual, that person must be identified in the Articles of Organization. The individual is not required to be an owner in the entity. Without the designation of one individual, any member may bind the LLC.

Fall 2013 Statistics of Income

The Internal Revenue Service has announced the availability of the Fall 2013 issue of the Statistics of Income Bulletin, which features information on individual income tax returns filed for tax year 2011.

Taxpayers filed 145.4 million individual income tax returns for 2011, an increase of 1.7 percent from tax year 2010. The adjusted gross income (AGI) reported on these returns totaled \$8.4 trillion, a 3.5-percent increase from 2010. Taxable income rose 4.4 percent to \$5.7 trillion for 2011. Hopefully this a reflection of the economic recovery and not the increasing incidence of identity theft!

DATELINE: IRS

The Internal Revenue Service plans to open the 2014 filing season on Jan. 31 and encourages taxpayers to e-file tax returns as the fastest way to receive refunds. The new opening date for individuals to file their 2013 tax returns will allow the IRS adequate time to program and test its tax processing systems. The annual process for updating IRS systems saw significant delays in October following the 16-day federal government closure.

"Our teams have been working hard throughout the fall to prepare for the upcoming tax season," IRS Acting Commissioner Danny Werfel said. "The late January opening gives us enough time to get things right with our programming, testing and systems validation. It's a complex process, and our bottom-line goal is to provide a smooth filing and refund process for the nation's taxpayers."

The government closure meant the IRS had to change the original opening date from Jan. 21 to Jan. 31, 2014. The 2014 date is one day later than the 2013 filing season opening, which started on Jan. 30, 2013, following January tax law changes made by Congress on Jan. 1 under the American Taxpayer Relief Act (ATRA).

The IRS cautioned that it will not process any tax returns before Jan. 31, so there is no advantage to filing on paper before the opening date. Further, the April 15 due date for returns is set by statute and cannot be waived. However, anyone is eligible for an automatic six-month extension. The extension request also has a 4/15 filing deadline.

OFFICE NEWS

IT'S TAX SEASON!! In an effort to maximize productivity, efficiency experts recommend grouping phone calls. If I am unable to get to the phone when you call, please leave a message. I can be better prepared to answer your questions with appropriate information in hand when calling back.

You'll have any payroll tax returns due in your hands by Friday, January 31, 2014. As a brief break, I'll be camping overnight at Ft. DeSoto
FEB 1 – FEB 2, 2014.

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