



ELK POINT

SEPTEMBER 2015 NEWSLETTER

Labor Day Reminder

Just a reminder the Elk Point offices will be closed on Monday, September 7th in observance of the Labor Day Holiday.

W2 Extension Filing Removed

In an effort to fight fraudulent tax return filing and identity theft the IRS has removed the automatic 30 day extension to file W2's. This is affective starting in 2017.

Vacation Rental Tax

If you were thinking of using the extra room in your home as a vacation rental, your taxing authorities want you to know that you are responsible for the 6% sales tax plus the 2% travel and convention tax.

This applies whenever sleeping accommodations are rented for 30 days or less and can include vacation homes, lodges, condominiums, townhouses or rooms within a private structure.

In addition some communities may add a local tax. For example, Boise adds a 5% tax to rooms rented within certain area's of the city.

Upcoming Tax Deadlines

Just because April 15th has passed does not mean tax season has ended. A reminder that business returns that are on extension are due September 15th and individual returns that are on extension are due October 15th.

Time to Update Your Confidentiality Policies

According to Ron Creswell it is common for businesses to have a "blanket" confidentiality policy in place for workplace investigations. However, the National Labor Relations Board (NLRB) has recently won a legal decision which determined an employee has a right to discuss with a coworker disciplinary investigations involving themselves. It is time for employers to take a look at their Confidentiality Policies to ensure they are in compliance.

IRS now has 6 years to get you

The IRS now has 6 years to seek back taxes based on overstated basis. This occurs when corresponding understatement of income exceeds 25% of gross income.

Returns affected will be after July 31, 2015. Although, some returns filed before August 1, 2015 may be affected only if the 3 year statute of limitations remained open on July 31, 2015.

Foreign Account Owners Filing Moved Up

If you are an owner of a foreign account your filing date has moved up to April 15th. The previous date was June 30th. This applies to accounts with over \$10,000.00. If needed, a six month extension is still allowable to complete your filing.

Worker Misclassification

For all those that are looking to use the Contractor versus Employee shortcut you need to know that the Department of Labor is closing it.

Contractors can be treated as employees if their work is integral to the firm's business, even if it is done off premises.

Workers that supply their own tools are not necessarily classified as contractors.

A permanent or indefinite relationship suggests workers are employees. Those that perform work for more than one firm are not necessarily contractors.

The Department of Labor will strongly be enforcing these guidelines under the Fair Labor & Standards Act (FLSA). They will notify the IRS of workers they feel are misclassified.

Marijuana Businesses can now deduct Sales Tax

Although still not legal in Idaho, our Washington counterparts can now deduct sales tax from marijuana related sales. However, they are still barred from deducting business expenses such as rent and may continue to run into problems when attempting to make deposits in Federally Insured Banking Institutions.