



2013 Corporate Tax Update for 2012 Filings *Reminders, Deductions, & Credits*

Issue 15: By Milan Madhani, CPA & Vimal Madhani, MST & EA
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As you may know by now, filing for most taxpayers begins on January 31st, 2013. The IRS will not accept paper returns NOR efilings before then. If you are a corporate filer, you can start sending us your information with the completed income & expense corporate questionnaire starting the first week of February. If you are already our client, we will take an extension for you ahead of time during that week if we do not hear from you by then. If you owe personal income taxes, taking your personal tax return extension and making any necessary extension tax payments is your responsibility. Use [our extension page](#) to figure your personal tax extension payment and the coupons needed to make the federal & state payments.

Corporate Questionnaire

Please use this questionnaire to provide us detailed information about your income, expenses, capital investments and cash withdrawals, vehicle expenses & mileage, and machinery/equipment purchases. We are working with this Excel Sheet format to help capture your information for a more time-efficient and tax-minimized filing. Therefore, we prefer this XLS sheet over anything you provide, although we are not beholden to it. If you are our full service payroll client, we already have your payroll expenses, so do not be concerned about providing us this information. We will provide you the final copy of the corporate tax return for your review prior to us filing it. As always, also do provide us a completed personal [2012 Tax Questionnaire](#), the [completed formatted stock sales sheet](#), information about your foreign cash accounts on the [FBAR & 8938 Matrix](#), along with your personal tax docs so that we can complete your personal tax return as well. Do not let it come down to the wire; send us your docs early to info@vimlantax.com, our secretary's email address!

Retirement Contributions

You can only make contributions into retirement accounts if you run a payroll for yourself and/or your spouse from your company. The employee contribution

deadline date was December 31st of last year (maximum allowable contribution you could have put in there and deferred against any income tax was \$17,000 per employee). However, companies can FURTHER contribute up to a maximum of 25% of the payroll amounts into either a Simplified Employee Pension (SEP) or a Solo 401K, for which the deadline is March 15th (S-Corp Deadline) or April 15th (LLC Deadline). If you are an LLC which has elected S-Corp Status, then your deadline is March 15th. A properly filed corporate extension provides you, the corporate filer, an EXTRA 6 months from the original corporate filing deadline to make employer contributions into your retirement account. (An extra \$5,000 is allowed if you are age 50 years or older during 2012). Therefore, you, as the owner of the company, can STILL contribute 25% of your payroll amount you ran in 2012, into your SEP OR your Solo 401K. The catch is that if you are employed somewhere else, and are ALREADY contributing into a different retirement plan, your contribution is limited by the amount you may have put into those other retirement plans. See [this IRS page for max contribution limits](#) for 2012 & 2013, or [Publication 560](#) for more info. Our office does set up Retirement Plans, along with providing full payroll. So be sure to ask us about setting up such plans and the investment management of those retirement plans.

1099s

For a small charge, we will help issue 1099-M Statements for those vendors of yours whom you paid monies to in 2012. Although providing such 1099-M Statements are no longer required for corporate tax filers, there are many instances where filing of 1099-M are required for noncorporate recipients. Call our office or [check this link](#) to know more about having to file such 1099-M statements.

Business Credits & Deductions

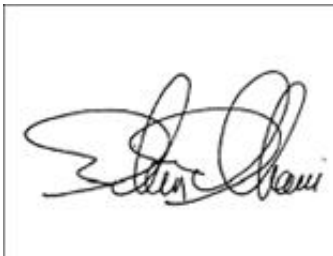
Keep in mind that there are several credits and deductions which can help you lower your income tax for 2012. For example, if you pay for health insurance premiums and medical expenses for either yourself, your family, and you run a payroll, those premiums and expenses offset the payroll taxes you are paying. The catch is, you had to have had a written plan during the year which specified maximum plan limits, amongst other things. Furthermore, if you have employees, the premiums you may have paid for your employees allow you to take advantage of the [Small Business Health Care Credit](#). [Mileage deduction](#) is another commonly missed deduction, which is available on the third tab of our [corporate questionnaire](#) for you to input. There are many, many other credits and deductions ([depreciation](#), [research credit](#), [domestic production deduction](#)) which you can research on the [IRS's website devoted to that info](#). These are not necessarily for big industries, or specific industries. So be sure to ask your CPA, or call us to know more info.

Payroll Client

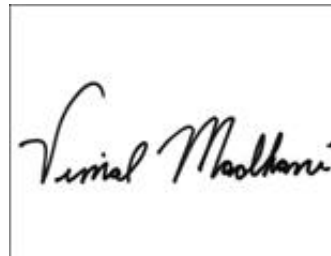
If you are our payroll client, we will be sending you renewal letters and payroll schedules for 2013 very soon. If you do not receive that in the next two weeks, please call us to receive that info from either Kim Davis or Hannya Janjua, our payroll schedulers.

Happy filing!

Sincerely,



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