

**TAX & ACCOUNTING FOCUS**

JULY 2011 VOLUME 2 ISSUE 2

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CHANGING WITH THE SEASON?

With summer underway, many are enjoying vacations and fun in the sun. We wanted to take a moment to let you know about some important information that may have an effect on some taxpayers.

With the start of a new quarter, it's time to vote for your favorite Accounting Firm in the Ranking Arizona poll! Please help us continue our ranking by voting. It takes just one minute. You can vote one time per email address, so please pass this along to your friends, family, and colleagues. Click on the link below to cast your vote today!

Warmest regards,

Tony, Rachel, Patricia, Katie and Christine

STANDARD MILES RATE INCREASE

Beginning July 1, 2011 through December 31, 2011, the standard mileage rate has been increased to 55.5 cents per mile. This is an increase from the 51 cents per mile for the first six months of 2011.

ARIZONA UNEMPLOYMENT INSURANCE

Effective July 20, 2011, Arizona House Bill 2619 becomes law imposing a Special Assessment (SA) on payroll wages paid in 2011 and 2012. This bill has been enacted to satisfy federally imposed unemployment obligations and to prevent a Federal Unemployment Tax (FUTA) increase to AZ employers. The SA rate is projected to be 0.40% for 2011 and 0.60% for 2012 on taxable wages which is the first \$7,000 of gross wages paid to each employee. This calculates to an additional assessment of approximately \$28 for 2011 and \$42 for 2012 per employee with wages in excess of \$7,000.

Beginning in September 2011, DES will mail employers statements/invoices regarding amounts due for the 1st and 2nd Quarters of 2011. Beginning with the 3rd Quarter, the SA will be added to the normal quarterly reporting requirements for AZ Unemployment Insurance.

EMAIL SCAMS—IRS/EFTPS

The IRS has informed us of many new bogus email scams that are surfacing. There is one particular email which discusses an allegedly rejected Electronic Federal Tax Payment System (EFTPS) payment which has a link that downloads malicious software. Please remember that the IRS will NEVER contact a taxpayer or employer via email. If you do receive an email from the IRS please see the following website <http://www.irs.gov/privacy/article/0,,id=179820,00.html>.

FEDERAL UNEMPLOYMENT TAX

Effective July 1st, the FUTA tax rate will decrease by 0.2%. This surtax, which is annually renewed by legislation, had expired on 6/30/10. This rate decrease calculates to a FUTA tax savings of approximately \$14 per employee with wages in excess of \$7,000. If the employee has already reached the \$7,000 of wages in the first half of 2011, the higher rate was still in effect and therefore no savings. The savings will only be recognized on employees which first begin receiving wages on or after July 1, 2011 or have not yet reached the full \$7,000 of wages by 6/30/11.

****Important Deadlines******JULY**

Quarterly Payroll Tax Reports

SEPTEMBER

9/15/2011

Individuals: Pay third installment of estimated taxes for 2011.

Partnerships: File 2010 Form 1065 if you timely requested a 5-month extension.

Corporations: File calendar year 2010 Form 1120 or 1120s if you timely requested a 6-month extension.

Trusts: File calendar year 2010 Form 1041 if you timely requested a 5-month extension.

OCTOBER

Quarterly Payroll Tax Reports

2011 Year End Tax Planning

10/17/11

Individuals: File 2010 Form 1040 if you timely requested a 6-month extension.

NOVEMBER

2011 Year End Tax Planning

DECEMBER

2011 Year End Tax Planning

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