

HUDSON POPE PLLC

CERTIFIED PUBLIC ACCOUNTANT
310 New Street, New Bern, NC 28560
252-635-1330; Fax: 252-634-2772

Fall, 2019

We are now well into the third quarter of 2019 and we continue to wrap up the 2018 tax filing year. The corporate and partnership income tax return deadline is September 16, 2019, while the individual return deadline date is October 15, 2019. Extended estate and trust income tax returns have a deadline date of September 30, 2019. We sincerely appreciate all of our clients' cooperation in getting us the information we need to complete the returns in a timely manner.

This newsletter highlights issues that concern new and existing business owners including the ever-increasing requirements to file reports electronically.

REMINDERS:

Individual Estimated Income Tax payments are due September 16, 2019.

PAYROLL REPORTING REMINDERS:

E-Verify – Required in NC if you employ 25 or more full time employees.

1099-MISC – E-file required if filing 250 or more information returns during the year.

W-2 – E-file required if filing 250 or more forms W-2 or W-2c.

NCUI-101 – NC unemployment – CD or e-file is required if reporting 10 or more wages per quarter.

TAX TIPS FOR NEW BUSINESS OWNERS

Starting a business can be very rewarding. It can also be a little overwhelming. From business plans to market strategies, and even tax responsibilities there are many things to consider. Here's what new business owners can do to help get off to a good start.

- **Choose a business structure:** The form of business determines which income tax return a business taxpayer needs to file. The most common business structures are:
 - **Sole Proprietorship:** An unincorporated business owned by an individual. There's no distinction between the taxpayer and their business.
 - **Partnership:** An unincorporated business with ownership shared between two or more people.
 - **Corporation:** Also known as a C corporation. It's a separate entity owned by shareholders.
 - **S Corporation:** A corporation that elects to pass corporate income, losses, deductions, and credits through to the shareholders.
 - **Limited Liability Company:** A business structure allowed by state statute.

- Choose a tax year: A tax year is an annual accounting period for keeping records and reporting income and expenses. A new business owner must choose either:
 - Calendar year: 12 consecutive months beginning January 1 and ending December 31.
 - Fiscal year: 12 consecutive months ending on the last day of any month except December.
- Apply for an employer identification number (EIN): An EIN is also called a federal tax identification number. It is used to identify a business. Most businesses need an EIN.
 - Form I-9, Employment Eligibility Verification.
 - Form W-4, Federal Employee's Withholding Allowance Certificate.
 - Form NC-4, North Carolina Employee's Withholding Allowance Certificate.
 - NC New Hire Reporting Form
- Pay business taxes: The form of business determines what taxes must be paid and how to pay them.

Each state has additional requirements for starting and operating a business.

IRS WARNS OF NEW IMPERSONATION EMAIL SCAM

The Internal Revenue Service and its Security Summit partners warned taxpayers about a new IRS impersonation scam campaign spreading nationally on email. **Reminder: The IRS does not send unsolicited emails and never emails taxpayers about the status of refunds.**

The IRS detected a new scam as taxpayers began notifying phishing@irs.gov about unsolicited emails from IRS imposters. The email subject may vary, but recent examples use the phrase "Automatic Income Tax Reminder" or "Electronic Tax Return Reminder"

The emails have links that show an IRS.gov like website with details pretending to be about the taxpayer's refund, electronic return or tax account. The emails contain a "temporary password" or "one-time password" to "access" the files to submit the refund. But when taxpayers try to access these, it turns out to be a malicious file.

The IRS does NOT send emails about your tax refund or sensitive financial information. This latest scheme is another reminder that tax scams are a year-round business for thieves. Please be on-guard at all times.