



THIS MONTH:

- ◆ 4th Quarter Due Dates
- ◆ Elimination of the Federal Tax Coupon Voucher
- ◆ IRS Warns of Phishing
- ◆ Keeping Access to Your Records



4th Quarter 2010 Due Dates

October 1:

- *Businesses:* Deadline for establishing a new SIMPLE retirement plan

October 15:

- *Individuals:* 2009 Form 1040 due if on extension

November 1:

- *Employers:* File Form 941 for 3rd quarter 2010

During November:

- *Employers:* Request new Form W-4s from employees whose withholding allowances will be different in 2011
- *Employers:* Request Form W-5 from each eligible employee who wants to receive advance payments of the Earned Income Credit during 2011

December 15:

- *Calendar-year C Corporations:* 4th installment of 2010 estimated tax due

Elimination of the Federal Tax Coupon Voucher

If you aren't yet paying the IRS through their electronic transaction system, you will want to start soon.



Beginning January 1st, 2011, most taxpayers must start paying electronically.

The IRS recently issued a few more proposed regulations that would eliminate the rules for making federal tax deposits by paper coupon, a system that will no longer be maintained by the Treasury Department after Dec. 31, 2010.

The Electronic Federal Tax Payment System (EFTPS) is a flexible way to make tax payments – they can be made 24 hours a day, seven days a week, from home or office, phone or online. Business payers can even schedule payments up to 120 days in advance meaning the system significantly reduces the risk of late payment.

Some businesses paying a minimal amount of tax may make their payments with the related tax return, instead of using EFTPS.

If this all sounds confusing, it is. To meet compliance without having to make the computer transfer or phone call yourself, hire a payroll service to do those things on your behalf. We at **PADGETT BUSINESS SERVICES®** can help direct you to a payroll solution that fits your business needs – whether it be taking care of it yourself, or having a service provider do most of the work for you.

If you have questions about using EFTPS and the range of solutions available to help you get started, ask your Padgett office today.

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IRS Warns of EFTPS Phishing Scam

The IRS wants you to be aware of a fraud scheme targeting Electronic Federal Tax Payment System (EFTPS) users. The scheme starts with an e-mail claiming that the user's tax payment was rejected, then directs the user to a website for additional information. The user's computer is then infected with malware located on the site.

If you receive an email message claiming to be from the IRS or EFTPS, do not reply, access links on the site or submit any information to the site. Taxpayer communications from the IRS are not initiated through e-mail. Report and identify this or other phishing, e-mail scams and bogus IRS websites by forwarding the e-mail or URL information to the IRS at phishing@irs.gov.

Keeping Access to Your Records

There are many situations where a business owner or other taxpayer can find themselves without complete records. You sell your business and later audited by the IRS. Your business has gone sour for the buyer so he takes revenge by refusing to release your records. Or the business goes bankrupt and he simply abandons the records. Or you give your records to your accountant who passes away and his wife transfers the business to a third party. Or you have a falling out with your partners or spouse. Or a hurricane or other disaster destroyed your records.



While you may get some sympathy from the tax authorities, you're still responsible for your records. In some cases, the solution is pretty simple:

- Don't let your accountant or attorney retain original documents unless it's just for a short period, for example to prepare your tax return
- Get records back from your spouse before separating.
- If you're selling your business, keep whatever the new owner won't need (depends on a number of factors, talk to your accountant and attorney).

The IRS advises taxpayers to safeguard their financial and tax records. Among other ideas, the IRS suggests scanning paper records into electronic format. Taxpayers should also check the following literature, available on the IRS web site at www.irs.gov:

- FS-2006-7, *Reconstructing Your Records*
- Publication 552, *Recordkeeping for Individuals*
- Publication 583, *Starting a Business and Keeping Records*

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PADGETT BUSINESS SERVICES® is dedicated to meeting the tax, government compliance, profit & financial reporting and payroll needs of businesses with fewer than 20 employees in the retail and service sector of the economy. This publication suggests general business planning concepts that may be appropriate in certain situations. It is designed to provide complete and accurate information to the reader. However, because of the complexities of the tax law and the necessity of determining whether the material discussed herein is appropriate to your business, it is important you seek advice from your Padgett office before implementing any of the concepts suggested in this newsletter.

PENALTY NOTICE: As required by U.S. Treasury regulations, you are advised that any written tax advice contained herein was not written or intended to be used (and cannot be used) by any taxpayer for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code.