



THIS MONTH:

- Taxpayers Can Use Electronic Signatures When E-filing
- 1st Quarter 2015 Due Dates
- Possible Delayed Start to Tax Season
- Using the Simplified Method for Home Office Deductions

Taxpayers Can Use Electronic Signatures When E-filing

The IRS has issued new guidance regarding electronic signatures. Taxpayer's now have the ability to use electronic signatures on Forms 8878 and Form 8879. These authorization forms are used when the taxpayer authorizes the electronic return originator (ERO) to e-file his or her individual income tax return.

Form 8878 is the IRS e-file Signature Authorization used by filers of extension requests, such as Form 4868. Form 8879 is the IRS e-file Signature Authorization used by filers of Form 1040, 1040A, Form 1040EZ or Form 1040-SS.

This new e-signature guidance provides an additional signing option for taxpayers! It reduces burden on taxpayers to physically sign the authorization form in tax preparer's office.

1st Quarter 2015 Due Dates

January 15:

- Individuals: Fourth quarter 2014 estimated tax payments due (final Installment).

February 2:

- Employers: Give your employees their copies of Form W-2 for 2014.
- File Form 941 for 4th quarter 2014, or annual Form 944.
- File Form 940 for 2014.
- Businesses: Distribute Form 1099 to recipients for 2014.

February 16:

- Employees: Submit a new Form W-4 to your employer.

March 2:

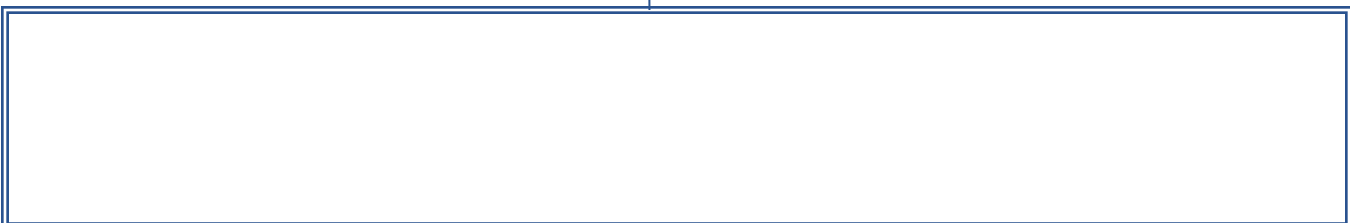
- Employers who paper file: File Form W-3 with Copy A of all Forms W-2.
- Employers: File Form 1096 with Copy A of all Forms 1099.
- Large food or beverage establishments file Form 8027 to report 2014 tip income, reported tips, and allocated tips.

March 16:

- Calendar-Year Corporations: 2014 income tax return (Forms 1120 and 1120S) due, or file Form 7004 for an automatic six-month extension. Provide shareholders with copy of Schedule K-1 (Form 1120S.)
- C Corporations & LLCs: File Form 2553 to choose to be treated as an S corporation beginning on January 1, 2015.

March 31:

- Employers who E-file: E-file 2014 Form W-3 with Copy A of all Form W-2. The Social Security Administration encourages all employers to e-file. Do not e-file the same returns which were paper filed.



Possible Delayed Start to Tax Season

The IRS Commissioner is warning taxpayers that a delayed start to tax season is likely! Due to the late decisions made by Congress regarding the tax extenders and the implementation of the new tax forms related to the Affordable Care Act, the official start date of tax season has not yet been announced. (Generally, tax season opens in mid-January.) The IRS is also battling budget constraints and employs fewer permanent full-time staff than it did in 2010. As a result, the IRS is urging taxpayers to remain patient and stay informed. What does this mean for you? Without a doubt, a delayed start to tax season would mean less time for tax professionals to file returns by April 15th resulting in more extensions filed for taxpayers. Talk to your local Padgett office about this upcoming filing season to see how you will be impacted.

Using the Simplified Option for Home Office Deduction

Taxpayers may use a simplified option when figuring the deduction for business use of their home. The simplified option does not change the criteria for who may claim a home office deduction. It merely simplifies the calculation and recordkeeping requirements of the allowable deduction.

Highlights of the simplified option:

- Standard deduction of \$5 per square foot of home is allowed for the business use portion of the home (up to a maximum of 300 square feet).
- Allowable home-related itemized deductions such as mortgage interest and real estate taxes are claimed in full on Schedule A.
- There is no home depreciation or depreciation recapture for years when the simplified option is used.

Selecting a Method:

- You may choose either the simplified method or the regular method for any tax year.
- Choose a method by using that method on a timely filed, original federal income tax return for the tax year.
- After choosing a method for a taxable year, you cannot change to the other method for that same year.
- If you use the simplified method for one year and use the regular method for any subsequent year, you must calculate depreciation for the subsequent year using the appropriate optional depreciation table, regardless of which depreciation method was used for the first year the property was used in business.

Contact your local Padgett office for more information regarding this topic.

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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.