

News from...

MARIS & ASSOCIATES, CPA'S

FEBRUARY 2012

Note these tax deadlines:

It's time to file various tax returns once again. If any of the following tax deadlines will apply to you, circle the dates on your 2012 calendar.

- **February 15** - Deadline for providing 2011 Forms 1099-B and 1099-S to recipients.
- **February 28** - Payers must file 2011 information returns (such as 1099s) with the IRS. (Electronic filers have until April 2 to file.)
- **February 29** - Employers must send 2011 W-2 copies to the Social Security Administration. (Electronic filers have until April 2 to file.)
- **March 1** - Farmers and fishermen who did not make 2011 estimated tax payments must file 2011 tax returns and pay taxes in full.
- **March 15** - 2011 calendar-year corporation income tax returns are due.

Use adjusted tax numbers for your 2012 tax planning

Each year the IRS adjusts certain tax numbers for inflation and tax law changes. Here are some of the adjusted numbers you'll need for your 2012 tax planning.

- Standard mileage rate for business driving remains at 55.5¢ a mile. Rate for medical and moving mileage decreases to 23¢ a mile. Rate for charitable driving remains at 14¢ a mile.
- Section 179 maximum first-year expensing deduction decreases to \$139,000, with a phase-out threshold of \$560,000.
- Health savings account (HSA) contribution limit increases to \$3,100 for individuals and to \$6,250 for families. An additional \$1,000 may be contributed by those 55 or older.
- 401(k) maximum salary deferral increases to \$17,000 (\$22,500 for 50 and older).
- SIMPLE maximum salary deferral remains at \$11,500 (\$14,000 for 50 and older).



MARIS & ASSOCIATES
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Your Financial Success Advisors



10512 19th Avenue SE Suite #101
Everett, Washington 98208

Call Us
(425) 338-0414

- IRA contribution limit remains at \$5,000 (\$6,000 for 50 and older).
- Estate tax top rate remains at 35%, and the exemption amount increases to \$5,120,000.
- The annual gift tax exclusion remains at \$13,000.
- Adoption tax credit decreases to \$12,650 for adoption of an eligible child.

Resolve to put your tax and financial house in order this year

The only way to achieve financial security is to monitor your tax and financial affairs throughout the year. And what better way to kick off the new year than to tidy up your financial and tax house. Here are some tips to *get you started*:

- **Take control of your credit cards.** Over-reliance on credit cards hurts you in several ways. With interest rates typically in double digits, it's the most expensive way to borrow money. It takes time and discipline to reduce credit card debt, but it's well worth the effort.
- **Rid yourself of "stuff" you don't use.** Are you paying for a cell phone you rarely use? A magazine you never read? A mail-order video service you forgot about? An extra cable box for that basement TV you never watch? A membership to a gym you rarely attend? If so, now is the time to dump those wasted services and pocket the cash.
- **Build a cash reserve for emergencies.** Your financial situation can quickly spin out of control if you can't come up with cash when you need it. Work hard to put aside at least three months' living expenses. Invest it in a safe, liquid account, and resist the temptation to raid it for non-emergencies.
- **Save regularly and save smartly.** Develop the habit of saving something every month, no matter how small the amount. The earlier you start, the longer your savings will have to compound for retirement. Save as intelligently as possible. If you have a 401(k) plan that your employer matches, that's probably the best investment you'll find.
- **Diversify your investments.** You'll reduce your risk by spreading investments among stocks, bonds, and real estate. The worst thing you can do is to have everything tied up in stock of the company you work for.
- **Get that new filing system started now.** Purge your old files. Shred documents that you don't need (at our summer shred event!). Create new files for your 2012 documents. Keep a tax and financial calendar that shows all deadlines for making payments and filing returns.
- **Educate yourself about financial matters.** You don't have to get a degree in finance, but read financial articles on topics that concern your affairs. Consider taking a seminar in basic investing. Ask questions of your advisors. The more you know about finance, the more you can take control of your own financial health.

[Quarterly Reporting](#)

The Electronic Federal Tax Payment System (EFTPS) is a service from the US Department of the Treasury for taxpayers to make secure electronic tax deposits to IRS towards their payroll tax liability. The service is free and you can enroll at www.eftps.gov. This service replaces the old tax deposit coupon method when businesses would deposit payroll taxes at a bank with a coupon. All businesses are required to use EFTPS to make their payroll tax deposits as they come due. EFTPS does not report your wages or tax liability to the IRS.

All businesses must report wages and payroll tax withholding on a quarterly basis, unless they have been assigned an annual reporting basis. Form 941 – Employer’s Quarterly Federal Tax Return is due on the last day of the month following the end of the quarter – (April 30th, July 31st, October 31st and January 31st).

EFTPS can accept deposits for 941 taxes (federal withholding and FICA taxes) 940 taxes (federal unemployment taxes) as well as individual and corporate estimated tax payments. It is accessible 24 hours a day.

[Thanks! We appreciate you!](#)

Thank you for selecting our firm for your tax and accounting needs. We appreciate the confidence you have shown in us, and we remain ready to assist you at any time.

Also, thank you for recommending us to your family, friends, and associates. We appreciate your referrals.



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10512 19TH AVE SE, #101, EVERETT, WA 98208 425-338-0414

WWW.MARISCPA.COM INFO@MARISCPA.COM



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