

The Consultant

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WHY SHOULD A BUSINESS INCORPORATE

There are several reasons why a business should incorporate but the main reason is for the liability. Many individuals think incorporating is for large companies that make a lot of money. However, even if you make a small amount of money the liability can be large. Large or small, your company is at risk for liability if something goes wrong. This is the best way to protect your personal assets.

Remember when you are self-employed you pay all Taxes (Federal, Social Security, Medicare, State and Local). When you are incorporated you must take a reasonable minimal payroll but the balance of the profit can be passed out to you in the form of rent, equipment lease, benefits and finally as a dividend not subject to Social Security, Medicare, State and Local taxes. If you would like more information about the benefits of incorporating or to see if incorporating is right for you, call the office to set up an appointment.

PENNSYLVANIA INHERITANCE TAX RETURN

If you are an Executor of an Estate or know of someone who is, we can simplify the process. We can help you complete all the necessary paper work that has to be filed, such as obtaining an EIN number with the IRS, the Inheritance Tax Return, Status Report, Certificate of Notice and Notice of Beneficiary. We will explain in detail how you need to probate and what assets have to be included for probate, collect assets and when to distribute to the beneficiaries. We do have an Attorney that we work with to complete the process of opening and closing the Estate. In most cases you can pay 6% for someone to handle the Estate, we charge a flat fee for our services and the attorney who we use charges a flat fee for his work. If you or you know someone who is an Executor and would like to find out more information on the above please call the office and ask to speak with Mr. Piermani.

ESTATE PAPERS

At a seminar not long ago, I was told that seventy percent of Americans do not have estate papers such as a Will, Durable Power of Attorney or Advance Health Care documents. We do work with one of our Attorneys who offer these documents at a very reasonable rate. If you need to obtain these documents, call and ask for an appointment with Mr. Piermani.

MILEAGE RATE FOR 2016

The mileage rate for 2016 for business use is 54 cents, for charity is 14 cents and medical is 19 cents. You are required to maintain a log on where you go and how far you travel.

The Federal, State and Local Municipalities are focusing on this area and have been sending out letters requiring a mileage log for the unreimbursed mileage. Keep in mind if an audit occurs, they ask to see your inspection sheet showing how many miles you traveled for the year. This means you cannot write off more miles than you actually drove.

RETIREMENT SAVINGS

It is amazing how many individuals do not have any type of retirement plan. If you are self-employed or own a company, we can help you set up a retirement plan. There are many types of pensions to save for retirement that can be set up. The type of plan suited for your business depends on the type of profit you have, number of employees and shareholders. If you would like more information on these options, please call the office and Mr. Piermani can advise you on which type plan is best for your situation.

INTERNAL REVENUE PHONE SCAM

For about a year now, people have been receiving phone calls and the caller on the other end claims to be from the Internal Revenue Service and that you owe money. They are asking you to send them money. Please know that the Internal Revenue Service does not call you on the phone. They contact you by mail. We have always told our clients not to respond to the Internal Revenue Service until you contact our office with the notice and we will research it from there.

BUSINESS RECORD KEEPING

If your time spent doing your payroll and bookkeeping is getting overwhelming, we may be able to help. We offer a business package that includes the following for a monthly fee: compiling your monthly income, expenses and depreciation, reconciling your bank statement, payroll & payroll taxes, producing monthly Income Statements and Balance Sheets, personal estimated quarterly taxes and the year-end Business Federal and State Tax Returns. Please call the office if this is a service that you may be interested in.

HAVE AN ENJOYABLE SUMMER!