

The Parm's Insider

News You Can Use

Parms & Company is a full service certified public accounting firm offering a wide range of professional services to help our clients achieve their goals. By offering quality professional services that are efficient, timely, and cost-effective, we are responsive to the needs and expectations of each client. With our expertise in accounting, auditing, tax and business consulting, we get the job done.

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Special Points of Interest:

- Tax Season is here! Come see us to make sure you get all that you're entitled to. Call today!
- In observance of the Memorial Day holiday, our office will be closed on May 28.
- Spring Forward! Daylight Savings Time begins Sunday, March 11 at 2:00 a.m.

Important Dates To Remember:

- March 15, 2012 **Forms 1120, 1120S**
Deadline for corporations to file 2011 tax returns.
- April 17, 2012 **Pay Estimated Taxes**
Deadline for individuals to pay their 1st estimated tax payment for 2012.
- April 17, 2012 **TAX DAY!**
Deadline for individuals to file their 1040 tax return. Forms 1065 are also due.

IRS Issues Guidance on Reporting Health Care Costs on Employees' W-2s

The Internal Revenue Service recently released guidance which resolves additional questions employers have raised about a health care reform law provision that will require them to report the cost of health care coverage on employees' W-2 wage and income statements.

Under that requirement, health care cost information will have to be reported on 2012 W-2s,

which will be issued in 2013. Under previous IRS guidance, smaller employers—those that will distribute fewer than 250 W-2s for 2011—are exempt from this requirement until at least 2014 and possibly longer.

There will be some exemptions to the reporting rule.

The latest guidance makes it clear that employers can—but are not

required to—report contributions to health reimbursement arrangements in calculating health care costs.

In addition, the cost of providing coverage through employee assistance programs, wellness programs or on-site medical clinics are not required to be reported if the employer does not

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In The Spotlight *Getting to Know Parm's People*



Joe Roche
Senior Tax Accountant

Joe has been a part of our Parm's family since December 1998.

We interviewed Joe to learn a little more about him. Inquiring minds want to know!

Q. Where were you born?
A. *Cleveland, Ohio*

Q. What was your 1st job?
A. *Working at the Cleveland Heights Ice Rink as a skating guard*

Q. What was the last book you read?
A. *Woody Hayes*

Q. Where was your last vacation?
A. *Chicago*

Q. What are your hobbies or things you do for fun?
A. *Staying active with my kids*

Q. What's the #1 thing on your bucket list?
A. *To go to Hawaii!*

Q. What's your favorite TV show of all time?
A. *Cheers*

Q. Do you have any special talents?
A. *Patience*

Q. What was your most favorite Halloween costume as a kid?
A. *Spiderman*

Reporting Health Costs — *continued*

charge premiums for the coverage to COBRA beneficiaries.

The latest guidance also reiterates numerous provisions in last year's guidance, including that the cost of coverage that is taxable to employees, such as for a child over age 26, must be reported on the W-2, and that contributions employees make to flexible spending accounts are to be excluded from the health care cost figure.

For more information on how provisions of the health care reform affect your business, call us today!

Recipe Corner

Sheryl's Twice Baked Potatoes

4 large, washed potatoes	Blue cheese
Sour cream	Cheddar cheese
Chives	Salt & Pepper

Microwave potatoes until done. Allow them to cool off. Slice the length of the potatoes in half. Scoop the insides of all potatoes into a medium bowl. Mash them together with the sour cream, chives, blue cheese, cheddar, and salt & pepper. Scoop mixture back into the potato skins. Bake in the oven at 350° for 20 minutes or until brown.

IRS owes \$1,000,000,000 in unclaimed refunds. *Can this be you?*

Time is running out for Ohio residents owed an estimated \$31 million for unclaimed 2008 tax credits and refunds from the Internal Revenue Service. The three-year window to claim the money slams shut on April 17, 2012 — the same day as the 2011 1040 tax-filing deadline.

The IRS estimates 36,400 Ohio residents are eligible for part of the \$31 million in unclaimed deductions. Nationally, about 1 million people are collectively owed just more than \$1 billion.

Those eligible for the windfall seem to fall into two categories, said Ohio IRS spokeswoman Jennifer Jenkins. The first are those who earned minimum wage or just above, paid withholding taxes in 2008, and did not file federal income tax returns because they made less than the minimum filing requirement. Many of these workers might have paid more in withholding taxes than required, Jenkins said. "Their thinking is, they don't want to take the time, that it's a nuisance," she said of filing federal taxes. "But if it only takes a couple hours, and you get back a couple hundred bucks, you're paying yourself a good salary for your time." People in this category have until April 17 to fill out and file the 1040EZ form.

The second group owed refunds are those who filed a 2008 tax return but neglected to claim one of the many federal tax credits for which they were eligible. This list includes an adoption credit up to \$11,650, an earned-income tax credit up to \$4,824, a child tax credit of up to \$1,000 per child, a lifetime learning credit of up to \$2,000 and energy-saving credits up to \$500.

The number of credits can often confuse people, said Theodore Johnson, a certified public accountant with Parns & Co. and board member of the Ohio Society of CPAs. "People can get lost in them," he said. "When they come to us, they have a sense that they may be eligible or not know if they're eligible because there can be income limitations."

By Steve Wartenberg
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"The hardest thing in the world to understand is the income tax"

- Albert Einstein -

CRAZY TAX LAWS

Wacky state tax breaks and levies...

- Hawaii allows tax deductions for "exceptional trees." Hawaii rewards residents for taking care of their trees as long as a certified arborist deems it "exceptional."

- Illinois imposes extra taxes on "candy" without flour. Under their law, sweets that contain flour, such as many candy bars, are considered food instead of candy, and therefore are not subject to the added tax.

- Kansas taxes hot air balloon rides as amusements, but only if the balloon is tethered. If the hot air balloon is not tied down, is piloted, and travels a distance from its launching point, then the ride is considered a form of transportation and exempt from state sales tax.