

Success by Design

2007 IRS TAX CALENDAR

For Small Businesses and Self-Employed

www.irs.gov/smallbiz



Did you know . . .

The Tax Gap

The Internal Revenue Service developed the concept of the tax gap as a way to gauge taxpayers' compliance with their federal tax obligations. The tax gap measures the extent to which taxpayers do not file their tax returns and pay the correct tax on time. Understanding the tax gap and what its components are allows the legislative and executive branches of government to make better decisions about tax policy and the allocation of resources for tax administration.

Components of the Tax Gap

The tax gap can be divided into three components: nonfiling, underreporting, and underpayment. Nonfiling occurs when taxpayers who are required to file a return do not do so on time. Underreporting of tax occurs when taxpayers either understate their income or overstate their deductions, exemptions and credits on timely filed returns. Underpayment occurs when taxpayers file their return but fail to remit the amount due by the payment due date.

Of these three components, underreporting of income tax, employment taxes and other taxes represents about 80 percent of the tax gap. The single largest sub-component of underreporting involves individuals understating their incomes, taking improper deductions, overstating business expenses and erroneously claiming credits. Individual underreporting represents about half of the total tax gap. Individual income tax also accounts for about half of all tax liabilities.

For more information, visit tax gap at www.irs.gov.



2007 IRS TAX CALENDAR

For Small Businesses and Self-Employed

JANUARY

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FEBRUARY

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MARCH

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APRIL

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JULY

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AUGUST

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OCTOBER

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NOVEMBER

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“When it comes to working harder for you, consider it done.”

— THE INTERNAL REVENUE SERVICE



2007 IRS Tax Calendar | FOR SMALL BUSINESSES AND SELF-EMPLOYED www.irs.gov/smallbiz

Available in both English and Spanish (Publication 1518SP), this calendar is filled with useful information on...

General business taxes / IRS and SSA customer assistance / Electronic filing and paying options / Retirement Plans / Business publications and forms / Common tax filing dates / Federal legal holidays.

Each page highlights a different tax issue that may be relevant to your business. You may find it helpful to read through the entire calendar and then refer back to those pages that pertain to you. You'll find room on each month to add your own notes, such as state tax dates or business appointments.

For an online version, visit tax calendar at www.irs.gov. In response to your feedback, research and testing is underway to introduce calendaring software for downloading tax calendar dates from irs.gov into Microsoft Outlook and hand held devices, i.e., Blackberrys, Palm Pilots, etc. Stay tuned for more information on this feature in 2007!

IRS e-file for Business and Self-Employed Taxpayers

The IRS offers business taxpayers a wide variety of paperless methods for electronically filing their business returns. Nearly 97 percent of business forms can be e-filed. This means that nearly all businesses can benefit from working electronically with the IRS – either directly or through their tax preparer. The most common business forms available for e-file include:

- Employment taxes – Forms 940 and 941;
- Partnerships – Form 1065;
- Estates and trusts – Form 1041;
- Information returns – Forms 1042S, 1098, 1099, 5498, 8027, and W-2G;
- Corporations – Forms 1120 and 1120S; and
- Charities and non-profits – Forms 990, 990EZ, 990PF, 1120POL, 7004 (extension for Form 1120POL, and 8868.



IRS e-file has quickly become the most used option for filing

individual and business tax returns. E-file is accurate and secure and offers many benefits to users. When filing electronically with IRS, you are less likely to have problems, and problems are much easier to resolve should they occur. With e-file, less time is spent preparing tax returns and within 48 hours you can get confirmation that IRS has received your return. E-filers receive refunds in about half the time as paper filers – even faster with Direct Deposit. It also offers the convenience of filing tax returns early and delaying payments owed until the due date. In most states, you can also e-file your Federal and state returns at the same time.



For more information, visit www.irs.gov and click on the e-file logo.

Methods to Electronically file your Employment Taxes

...Using an Authorized IRS e-file Provider
Authorized IRS e-file Providers, can file

Forms 940/941 in a single transmission and use the integrated File and Pay options. You can pay your tax liability and file the tax return at the same time! You or your authorized provider should register for a Personal Identification Number (PIN) through an approved software provider.

The software will request information pertaining to you, the business client. This must be accomplished before your return is filed. The IRS will then send you the PIN, and you are ready to file your Forms 940 and 941 electronically. You can find more information regarding participation by visiting www.irs.gov and clicking on the e-file logo.

...by Internet

Business taxpayers who have a computer, modem, and Web-based Internet access can transmit Forms 940/941 employment tax information through a third-party transmitter. Business taxpayers can visit www.irs.gov to find a list of companies offering IRS e-file for Business products and services. The listing of **Approved IRS e-file for Business Providers** contains product descriptions, addresses, phone numbers, and direct links to each companies' Web sites. To view the complete list of providers and partners, visit www.irs.gov, click on the e-file logo, and choose e-file for Business and Self-Employed Taxpayers.

...Using a Payroll Service Provider (Reporting Agent)

Business taxpayers using a payroll service provider can electronically file Forms 940/941 if their service provider offers these services. The **Approved IRS e-file for Business Providers** list contains a Payroll Service Provider category.

Modernized e-File (MeF)

Corporate returns 1120/1120S along with 53 of the most commonly used forms and schedules are available for electronic filing. Forms 990, 990EZ, 1120POL, and 8868 for Exempt Organizations, and schedules for Corporations and Exempt Organizations are also available.

Benefits of Paying Business Taxes by Electronic Funds Withdrawal

E-filing a balance due return with an electronic payment is a safe, secure, and convenient way to be assured of on-time receipt of both the return and payment. This reduces the chance of errors. Filing and paying electronically, eliminates the need to mail a paper voucher. An electronic acknowledgement is received once the return is accepted. Integrated *e-file* and *e-pay* options are available throughout the *e-file* season and many options are available year round.

Paying business taxes by Electronic Funds Withdrawal can be made for:

- Form 940 series, 941 series, and 944 employment tax forms;
- Form 1041, *U.S. Income Tax Return for Estates and Trusts*;
- Form 1120, Form 1120S, and Form 1120POL, *U.S. Corporation Income Tax Return and Schedule K-1* (including amended returns);
- Form 7004, *Application for Automatic Extension of Time to File Corporation Income Tax Return*;
- Form 8868, *Application for Extension of Time to File an Exempt Organization Return*;

- Form 990-PF, *Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation*;
- Payments can also be made for penalties related to Form 1065 and Form 1065B, Partnership returns.

Payments scheduled for withdrawal on or before the return due date will be considered timely. Forms 940, 941 and 944 payments cannot be scheduled in advance. The payment date for these forms will be the same as the date the return is filed. Businesses can *e-file* and pay at the same time as new *e-file* options become available. Electronic funds withdrawal payments must be initiated at the same time the return is *e-filed*.

For more information on electronic payment options, visit *e-pay* at www.irs.gov, or refer to Pub 3611, *Electronic Payments* brochure.

The Electronic Federal Tax Payment System (EFTPS)

Pay All Your Federal Taxes Securely

EFTPS is the secure method for making all of your federal tax payments online or by phone. You can use EFTPS to pay all your federal taxes. One of the many conveniences of EFTPS is the “payment scheduling” feature. This feature allows taxpayers to schedule their payment instructions up to 120 days in advance of a due date for business taxes, and 365 days for

individual taxes. EFTPS then makes the payments on the dates the taxpayer indicates. This is ideal for busy or traveling taxpayers. You can schedule tax payments quarterly, weekly, biweekly, semiweekly, or monthly and not worry about missing a deadline. EFTPS is easy to use, it's safe and secure, and you receive an immediate EFT Acknowledgement Number for every transaction as a receipt. With EFTPS you also get a 16-month payment history online. EFTPS offers users a secure way to make sure their tax payments arrive safely and correctly.

Express Enrollment for New Businesses and Required Taxpayers

Any new business taxpayer requesting a new EIN (Employee Identification Number) and has federal tax deposit obligations is pre-enrolled in EFTPS. Required business taxpayers whose deposit level is over \$200,000 in any year are pre-enrolled in EFTPS – payments will begin in January of the following year. An initial mailing will be sent in July and a reminder in November.

Express Enrollment for FTD Coupon Payers

A percentage of business taxpayers who previously used FTD coupons are pre-enrolled in EFTPS to make their payments electronically. They will not receive additional coupons.

Express Enrollment was developed to help businesses use EFTPS instead of writing a check and taking paper Federal Tax Deposit (FTD) coupons to a financial institution. Express Enrollment expedites the enrollment process, allowing the business taxpayer to make payments as soon as their enrollment is activated. Usually an enrollment in EFTPS takes approximately two weeks to process after receipt of taxpayer information.

A percentage of current FTD Coupon payers are also automatically pre-enrolled in EFTPS to make all their federal payments electronically. They will be sent a mailing containing an EFTPS PIN (Personal Identification Number) and instructions for activating their enrollment. FTD coupons will no longer automatically be mailed.

To enroll or get additional information, visit www.eftps.gov or call EFTPS Customer Service on 800-555-4477, 800-733-4829 (TDD), or 800-244-4829 (Spanish).

For more information about EFTPS or other electronic filing and payment options for business, visit the electronic options page at www.irs.gov.



Choosing a Tax Advisor

You're starting a new business. Like many people, you may find that, with all your new responsibilities, you need assistance with your taxes, and you may

decide to hire a professional tax preparer — someone with experience preparing tax returns for businesses like yours. There are many types of tax preparers who may be qualified to help you. Enrolled agents, tax

attorneys, and certified public accountants are all professionals with expertise in federal taxes. Before selecting a person or firm to handle your business, ask a few questions to see if they offer what you are looking for.

Experience: Has that person worked with businesses similar to yours in size and type? Is he or she familiar with your particular line of business?

Services: Does the tax professional offer electronic filing—the safest and most efficient way to file your return?

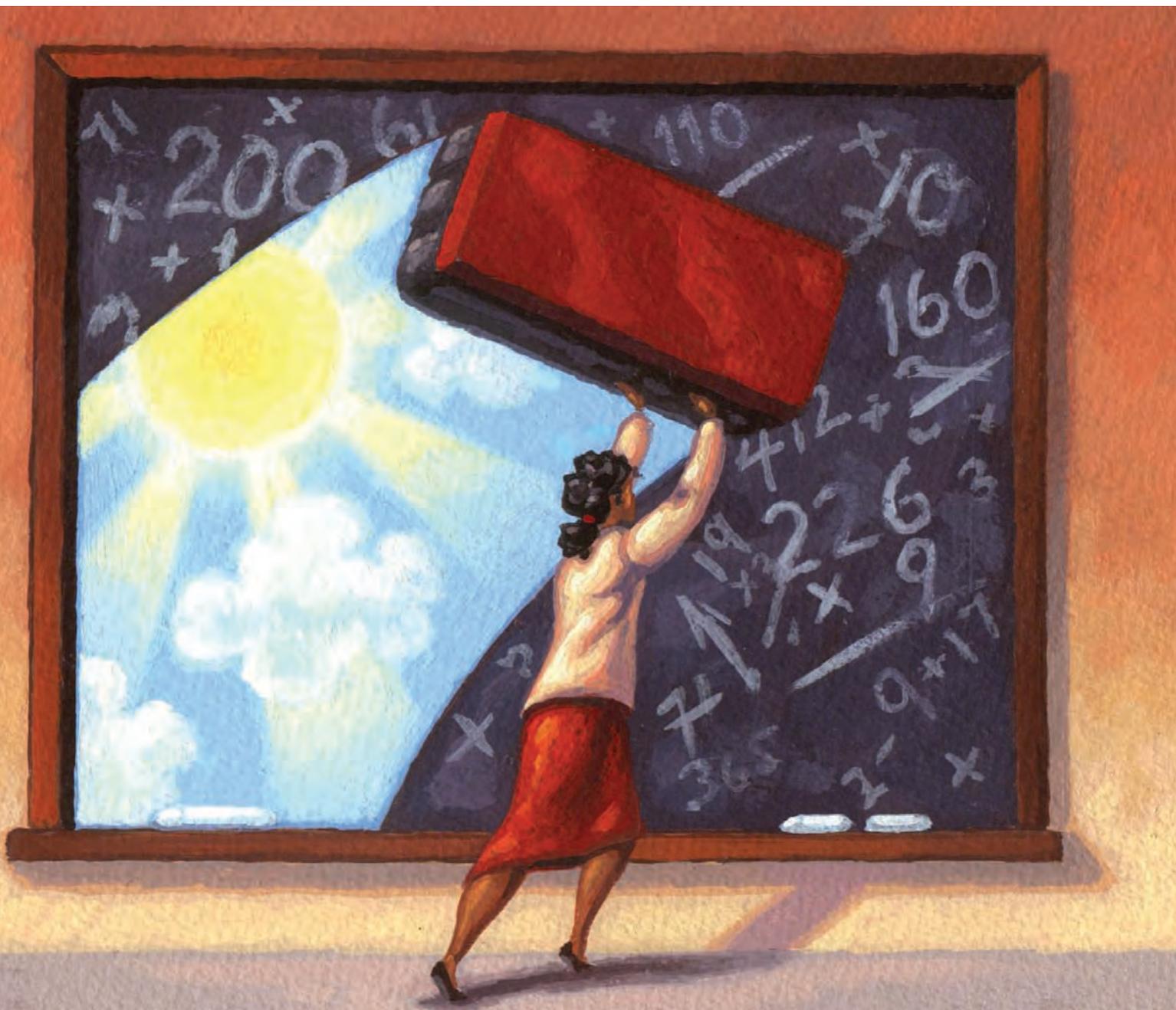
Price: What does that person offer for the fee he or she is quoting? If the IRS examines your return, what is that person's policy on assisting you?

References: Ask for a list of clients that you can contact.

Calendar Year vs. Fiscal Year

A year is a year, right? Yes and no. Different types of businesses may use different types of “tax years” when it comes to figuring their taxable income. A tax year is an annual accounting period for keeping records and reporting income and expenses. A calendar year runs from January 1 through December 31. Generally, anyone can adopt a calendar year for his or her tax returns. In some cases, you may be required to adopt a calendar year. Some businesses have “seasons” that don't follow the traditional calendar. If your business will have such seasons, you may be eligible to use a fiscal year that ends on the last day of a month other than December. Generally, whether you choose a calendar year or a fiscal year, you must use it on your first tax return and for all subsequent tax returns unless you get IRS approval to change your tax year. You can request a change in your tax year by filing Form 1128, *Application to Adopt, Change, or Retain a Tax Year*.

See IRS Publication 538, *Accounting Periods and Methods*.



January 2007

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

	1 New Year's Day	2 File Form 2290 and pay the tax on vehicles first used in November 2006.	3	4	5 Deposit Payroll tax for payments on Jan 1-2 if the semiweekly deposit rule applies.	6
7	8	9	10 Deposit Payroll tax for payments on Jan 3-5 if the semiweekly deposit rule applies.	11	12 Deposit Payroll tax for payments on Jan 6-9 if the semiweekly deposit rule applies. Deposit excise taxes for the last 16 days of December 2006.	13
14	15 Martin Luther King Jr.'s Birthday	16 Deposit Payroll tax for Dec 2006 if the monthly deposit rule applies. Individuals: Pay the final installment of your 2006 estimated tax. Use Form 1040-ES. Farmers and fishermen: Pay your estimated tax for 2006. Use Form 1040-ES.	17	18 Deposit Payroll tax for payments on Jan 10-12 if the semiweekly deposit rule applies.	19 Deposit Payroll tax for payments on Jan 13-16 if the semiweekly deposit rule applies.	20
21	22	23	24 Deposit Payroll tax for payments on Jan 17-19 if the semiweekly deposit rule applies.	25	26 Deposit Payroll tax for payments on Jan 20-23 if the semiweekly deposit rule applies.	27
28	29 Deposit excise taxes for the first 15 days of January.	30	31 Deposit Payroll tax for payments on Jan 24-26 if the semiweekly deposit rule applies. Give copies of Form W-2 to employees who worked for you during 2006. Deposit FUTA tax owed through December if \$500 or less. File Form 940 for 2006 if you made any late deposits of FUTA tax. File Form 941 for the 4th quarter of 2006 if you did not deposit all taxes when due. File Form 943 for 2006 if you did not deposit all taxes when due. File Form 720 for the 4th quarter of 2006. File Form 730 and pay the tax on wagers accepted during December 2006. File Form 2290 and pay the tax on vehicles first used in December 2006. Furnish Forms 1098, 1099, and W-2G to recipients for certain payments made during 2006.			

Start Fresh

Visit www.irs.gov/smallbiz to go through the *Checklist for Starting a Business*, including information on how to get an Employer Identification Number (EIN).

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Debits and credits present and accounted for. If you decide to keep your own books, or even if you hire an accountant, you should know a few things about accounting methods. An accounting method is simply a set of rules used to determine when and how you report your income and expenses. You choose your method of accounting when you file your first tax return. The two most commonly used accounting methods are the cash method and accrual method.

Cash Method

This is the accounting method used by individuals and many small businesses. Due to its simplicity, it may be appropriate for your small business. Determining gross income with the cash method is merely a matter of adding up the cash, checks, and fair market value of property and services you receive during the year. Using this method, your income for the year includes all checks you receive, regardless of when you cash the checks or withdraw the money. You cannot avoid paying tax by not depositing checks or credit card charge slips.

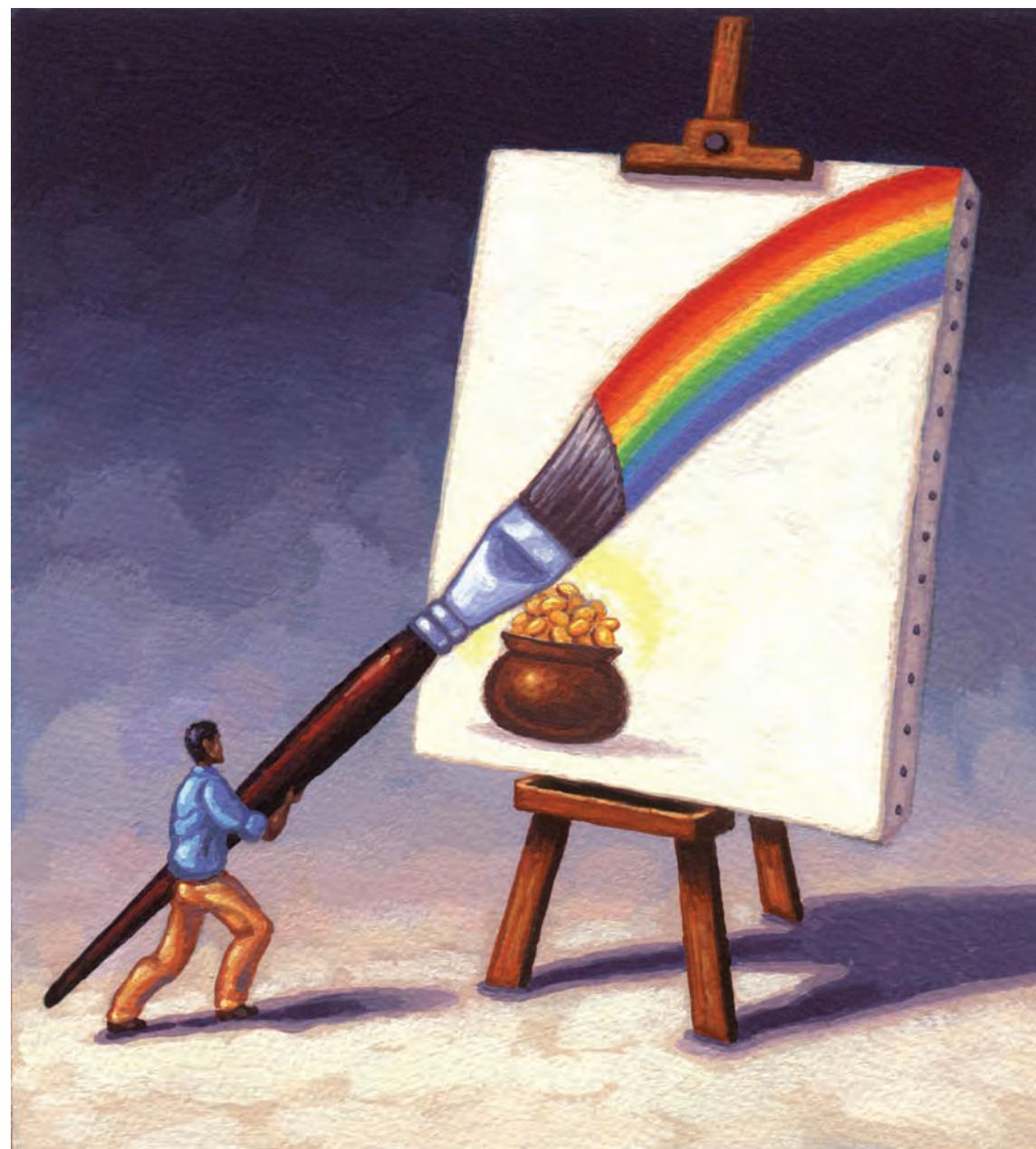
Using the cash method, your business expenses are usually deducted in the year you pay them. For example, you order some office supplies from a mail order catalog in November 2006 and they arrive in December. You send a check to pay for them in January 2007. Under the cash method, that business expense deduction should be claimed on your 2007 tax return because that is the year you paid for the supplies. Certain businesses cannot use the cash method. In addition, special rules apply for the accounting of inventory.

See Publication 538, *Accounting Periods and Methods*.

Accrual Method

This method of accounting is more precise than the cash method. Its main purpose is to match income and expenses in the correct year. Under the accrual method, income is reported in the year in which all events that fix your right to receive it have occurred, and you can determine the amount with reasonable accuracy, even if you received the income in a different year. For example, the accrual method calls for you to report income for the year when you perform a service for a customer. It doesn't matter that your customer doesn't pay you until the following year. Similarly, you generally deduct your business expenses in the year you become liable for them, regardless of when you actually paid them. Let's look at the office supply example again. Under the accrual method, you can deduct the business expenses for supplies on your 2006 tax return, the year you ordered the supplies and they were delivered. You sent a check to pay them in January 2007. You can deduct the expenses in 2006 because that is when you became liable for the expense. Once you decide which accounting method is the right one for your business, you must follow it consistently. Generally you cannot change your method of accounting unless you get special permission from the IRS to change.

See IRS Publication 538, *Accounting Periods and Methods*.



February 2007

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

				1	2 Deposit Payroll tax for payments on Jan 27-30 if the semiweekly deposit rule applies.	3
4	5	6	7 Deposit Payroll tax for payments on Jan 31-Feb 2 if the semiweekly deposit rule applies.	8	9 Deposit Payroll tax for payments on Feb 3-6 if the semiweekly deposit rule applies.	10
11	12 File Form 940 for 2006 if you deposited all FUTA tax when due. File Form 941 if you made timely deposits of all taxes due. File Form 943 for 2006 if you made timely deposits of all taxes due.	13	14 Deposit Payroll tax for payments on Feb 7-9 if the semiweekly deposit rule applies. Deposit excise taxes for the last 16 days of January.	15 Secure a new Form W-4 from any employee who claimed "exempt" during 2006. Deposit Payroll tax for January if the monthly deposit rule applies.	16 Deposit Payroll tax for payments on Feb 10-13 if the semiweekly deposit rule applies.	17
18	19 Washington's Birthday	20	21	22 Deposit Payroll tax for payments on Feb 14-16 if the semiweekly deposit rule applies.	23 Deposit Payroll tax for payments on Feb 17-20 if the semiweekly deposit rule applies.	24
25	26	27	28 Deposit Payroll tax for payments on Feb 21-23 if the semiweekly deposit rule applies. File information returns (Forms 1098 and 1099) for certain payments made during 2006. File Form W-3, "Transmittal of Wage and Tax Statements," along with Copy A of all Forms W-2 you issued in 2006. File Form 730 and pay the tax on wagers accepted during January. File Form 2290 and the tax for vehicles first used in January. File Form 8027 if you are a large food or beverage establishment.			

Schedule Payments

Keep up with payment deadlines. EFTPS offers a "payment scheduling" feature which automatically makes payments according to your schedule.

JANUARY						MARCH					
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One of the advantages of operating your own business is hiring family members. However, the employment tax requirements for family employees may vary from those that apply to other employees. Some issues to consider when operating a husband and wife business...

How spouses earn social security benefits

A spouse is considered an employee if there is an employer/employee type of

relationship, i.e., the first spouse substantially controls the business in terms of management decisions and the second spouse is under the direction and control of the first spouse. If such a relationship exists, then the second spouse is an employee subject to income tax and FICA (social security and Medicare) withholding. However, if the second spouse has an equal say in the affairs of the business, provides substantially equal services to the business,

and contributes capital to the business, then a partnership type of relationship exists and the business's income should be reported on Form 1065, *U.S. Return of Partnership Income*.

Both spouses carrying on the trade or business

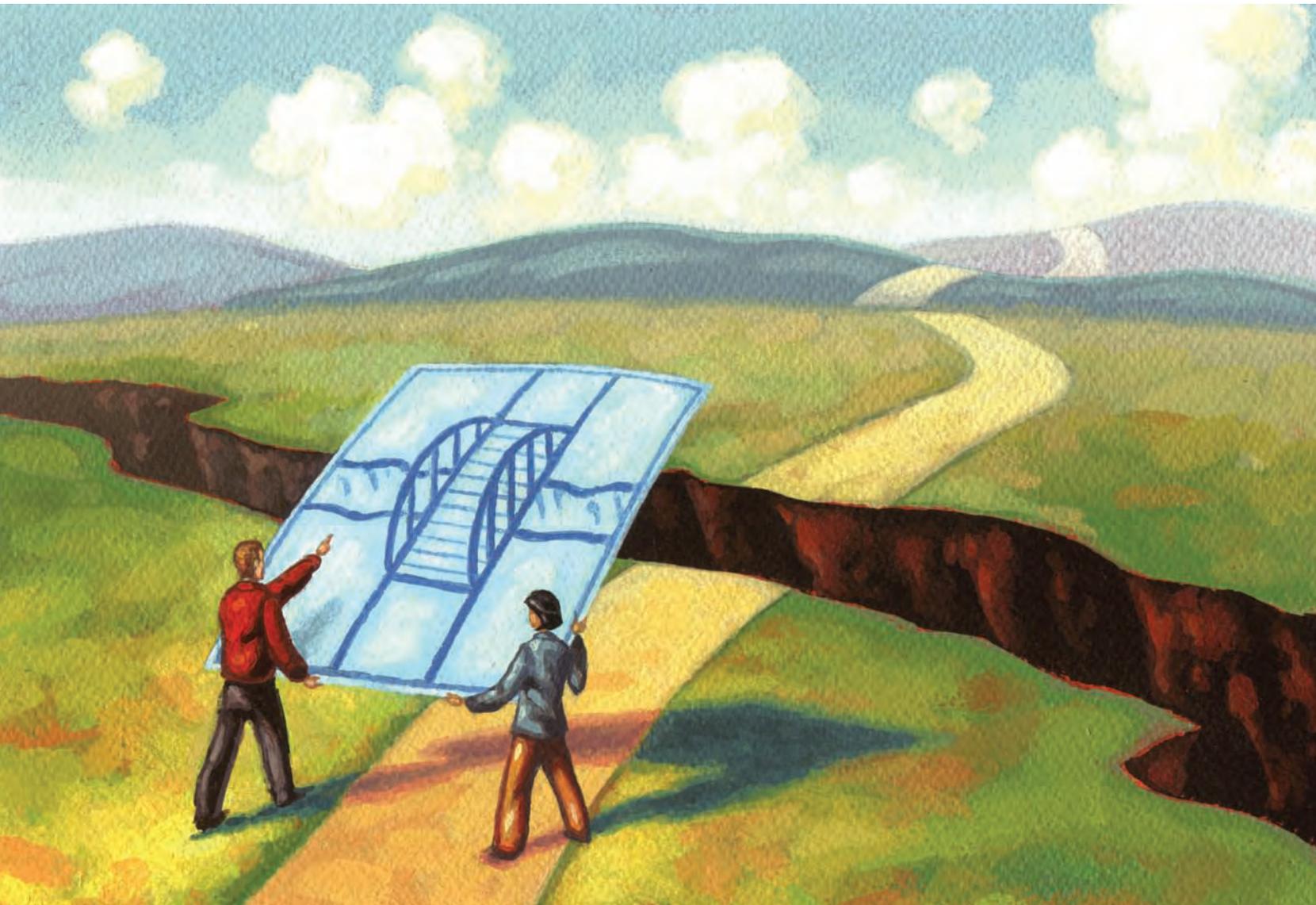
If spouses carry on a business together and share in the profits and losses, they may be partners in a partnership whether or not

they have a formal partnership agreement. Spouses should report income or loss from the business on Form 1065, *U.S. Return of Partnership Income*. They should not report the income on a Form 1040 Schedule C, *Profit or Loss from Business*, in the name of one spouse as a sole proprietor.

If each spouse is a partner in a partnership, each spouse should carry his or her share of the partnership income or loss from Form 1065 Schedule K-1, *Partner's Share of Income, Credits, Deductions, etc.*, to their joint or separate Form(s) 1040. Each spouse should include his or her respective share of self-employment income on a separate Form 1040 Schedule SE, *Self-Employment Tax*. Self-employment income belongs to the person who is the member of the partnership and cannot be treated as self-employment income by the nonmember spouse, even in community property states. This generally does not increase the total tax on the return, but it does give each spouse credit for social security earnings on which retirement benefits are based. However, this may not be true if either spouse exceeds the social security tax limitation. Refer to Publication 553, *Highlights of 2005 Tax Changes*, for further information about self-employment taxes.

One spouse employed by another

If your spouse is your employee, not your partner, you must pay social security and Medicare taxes for him or her. The wages for the services of an individual who works for his or her spouse in a trade or business are subject to income tax withholding and social security and Medicare taxes, but not to FUTA tax. **For more information, refer to Publication 15 Circular E, Employer Tax Guide.**



March 2007

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

				1 Farmers and fishermen: File your 2006 income tax return (Form 1040) and pay any tax due. Deposit excise taxes for the first 15 days of February.	2 Deposit Payroll tax for payments on Feb 24-27 if the semiweekly deposit rule applies.	3
4	5	6	7 Deposit Payroll tax for payments on Feb 28-Mar 2 if the semiweekly deposit rule applies.	8	9 Deposit Payroll tax for payments on Mar 3-6 if the semiweekly deposit rule applies.	10
11	12	13	14 Deposit Payroll tax for payments on Mar 7-9 if the semiweekly deposit rule applies. Deposit excise taxes for the last 13 days of February.	15 Deposit payroll tax for February if the monthly deposit rule applies. Corporations: File a 2006 calendar year income tax return (Form 1120 or 1120A). S Corporations: File a 2006 calendar year income tax return (Form 1120S). Provide shareholders with a copy of Sch. K-1.	16 Deposit Payroll tax for payments on Mar 10-13 if the semiweekly deposit rule applies.	17
18	19	20	21 Deposit Payroll tax for payments on Mar 14-16 if the semiweekly deposit rule applies.	22	23 Deposit Payroll tax for payments on Mar 17-20 if the semiweekly deposit rule applies.	24
25	26	27	28 Deposit Payroll tax for payments on Mar 21-23 if the semiweekly deposit rule applies.	29 Deposit excise taxes for the first 15 days of March.	30 Deposit Payroll tax for payments on Mar 24-27 if the semiweekly deposit rule applies.	31

Craft a Plan

Most common business forms can be *e-filed* – including forms for employment taxes, partnerships, estates and trusts, information returns, corporations, and charities and non-profits, etc.

FEBRUARY

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You enter another realm of tax reporting and record keeping when you hire employees. Nowhere are good records more important than when it comes to your employee payroll records, not only for your own benefit, but also for the benefit of your employees. Here are some of the records you will need to keep.



Form W-4, Employee's Withholding Allowance Certificate. Ask all new employees to fill out this form, sign it, and return it to you. The Form W-4 shows their filing status and how many withholding allowances they claim. Have them double check their social security number by verifying it with their social security card. If a new employee fails to return the Form W-4, withhold income tax as if he or she is single with no withholding allowances.

Form W-5, Earned Income Credit Advance Payment Certificate. The earned income credit provides extra help for low-income employees. The advance credit allows them to receive part of the credit in advance by including it with their pay during the year. Eligible employees who want advance

payments must fill out Form W-5 and submit it to you.

Records. Keep detailed employment tax records. See Publication 15 Circular E, *Employer's Tax Guide*, for more information.

Tips. Tip income your employees receive from customers is taxable unless it falls below the taxable monthly withholding amount. Employees must report cash tips to you by the 10th of the month after the month the tips were received.

Withholding. Keep track of withheld federal

income tax, social security and Medicare taxes, state and local taxes, and the net amount paid to each employee (including earned income credit advance payments) during the year.

Form W-2, Wage and Tax Statement

This is the annual statement you give to employees showing their earnings and withholdings for the year. Generally, you must give it to them by January 31 of the following year. Copy A of Form W-2 is due to Social Security on the last day of February,

although electronic filers have until the last day of March.

Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return.

Generally, you must figure federal unemployment tax on the first \$7,000 of each employee's earnings. Keep close track of the dates and amounts of each check you paid to your employees so you'll be able to figure out the FUTA tax and determine when deposits are due. Normally, you must file your FUTA tax return (Forms 940 or 940-EZ) annually by January 31 of the following year. However, if more than \$500, deposits must be made quarterly. If you file electronically, keep a copy of the tax record. If you mail in Form 940 or 940-EZ, keep a copy.

Form 941, Employer's Quarterly Federal Tax Return. This is your quarterly report of wages paid, tip income received by the employee, income tax withheld, social security and Medicare taxes and tips, and advanced earned income credit paid to the employee. Make a copy for your records.

Outsourcing Payroll Duties can be a Sound Business Practice – Know Your Tax Responsibilities as an Employer.

Many employers outsource payroll and related tax duties to third party payroll service providers. This helps employers meet filing deadlines and deposit requirements and streamline business operations. Some of the services provided include administering payroll and employment taxes on behalf of the employer. The service provider also reports, collects, and deposits employment taxes with state and federal authorities.

Employers who outsource some or all of their payroll responsibilities should note that they are ultimately responsible for the deposit and payment of federal tax

liabilities. Even though the third-party is making the deposits, the employer is the responsible party. If the third-party fails to make the federal tax payments, the IRS may assess penalties and interest on the employer's account. The employer is liable for all taxes, penalties, and interest due and may also be held personally liable for certain unpaid federal taxes. If issues arise with an account, the IRS will contact the employer. IRS correspondence is sent to the address of record so it is strongly suggested that the address not be changed to that of the payroll service provider. This change might significantly limit the employer's ability to get timely information about tax matters involving their business.

Form 1099-MISC, Miscellaneous Income. Use this form to report certain payments you make in your business. For example:

- Payments of \$10 or more for royalties, interest, or dividends;
- Payments of \$600 or more for rents, prizes, and awards for services rendered; and
- Payments of \$600 or more to workers who were not your employees.

Keep your employment tax information organized and in a safe place. Not only will you be able to take full advantage of all your deductions for payroll taxes, you'll also be able to avoid costly penalties and interest for late payments or errors on returns.

See **IRS Publication 15 Circular E, Employer's Tax Guide.**

April 2007

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2 File Form 730 and pay the tax on wagers accepted during February. File Form 2290 and pay the tax on vehicles first used in February. If you file Forms 1098, 1099, W-2, or W-2G electronically, your due date has been extended from Feb 28 to today.	3	4 Deposit Payroll tax for payments on Mar 28-30 if the semiweekly deposit rule applies.	5	6 Deposit Payroll tax for payments on Mar 31 if the semiweekly deposit rule applies. Deposit Payroll tax for payments on Apr 1-3 if the semiweekly deposit rule applies.	7
8	9	10	11 Deposit Payroll tax for payments on Apr 4-6 if the semiweekly deposit rule applies.	12	13 Deposit Payroll tax for payments on Apr 7-10 if the semiweekly deposit rule applies. Deposit excise taxes for the last 16 days of March.	14
15	16 Tax Day 17 File a 2006 Form 1040, 1040A, or 1040EZ and pay any tax due. Deposit Payroll tax for March if the monthly deposit rule applies. Individuals: Pay the first installment of your estimated tax for 2007. Partnerships: File a 2006 calendar year return (Form 1065). Provide each partner with a copy of Sch. K-1. Corporations: Deposit the first installment of your estimated tax for 2007.		18 Deposit Payroll tax for payments on Apr 11-13 if the semiweekly deposit rule applies.	19	20 Deposit Payroll tax for payments on Apr 14-17 if the semiweekly deposit rule applies.	21
22	23	24	25 Deposit Payroll tax for payments on Apr 18-20 if the semiweekly deposit rule applies.	26	27 Deposit Payroll tax for payments on Apr 21-24 if the semiweekly deposit rule applies. Deposit excise taxes for the first 15 days of April.	28
29	30 File Form 941 for the first quarter of 2007. File Form 720 for the first quarter of 2007. File Form 730 and pay the tax on wagers accepted during March. File Form 2290 and pay the tax for vehicles first used in March. Deposit FUTA tax owed through March if more than \$500.					
					MARCH <div style="text-align: right;">1 2 3</div> 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	MAY <div style="text-align: right;">1 2 3 4 5</div> 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

The Tax Gap

Visit www.irs.gov to find resources on the tax gap—the difference between the amount of tax taxpayers should pay and the amount that is paid voluntarily and on time.

Car Expenses

To take a business deduction for the use of your car, you must determine whether the use was business or personal.

If the answer is personal, no deduction is allowed. Personal use includes commuting – driving from your home to your regular place of work.

A deduction may be allowed if you have multiple jobs or businesses. Driving from your home to “business one” is commuting, but driving from “business one” directly to “business two” is deductible. Also, you are usually allowed to deduct transportation costs for going from your home to temporary workplace regardless of the distance.

Deductible car expenses can include the cost of 1) traveling from one workplace to another, 2) making business trips to visit customers or attend business meetings away from your regular workplace, 3) going to temporary workplaces.

To claim the deduction, keep adequate records such as a written travel log with complete and accurate mileage records for each business use of your car. If you are unable to produce a clear and accurate business mileage record, the IRS may disallow the deduction.

There are two methods for claiming business car expenses: actual expenses or the standard mileage rate.

Actual Expenses: You can add your entire car operating expenses for the year, including gas, oil, tires, repairs, license fees, lease payments, registration fees, garage rental, insurance, and depreciation. Deduct the percentage of the total that was for business, based on your mileage records of business and personal

travel. Deductions for business parking and tolls do not have to be divided.

Standard Mileage Rate: The 2006 standard mileage rates for the use of a car (including vans, pickups, or panel trucks) were:

- 44.5 cents per mile for business miles driven;
- 18 cents per mile driven for medical or moving purposes; and
- 14 cents per mile driven in service of charitable organizations (other than activities related to Hurricane Katrina Relief).

For 2006, Katrina-related charitable rates were 32 cents per mile for deduction purposes and 44.5 cents per mile for reimbursement purposes.

Beginning January 1, 2007, the standard mileage rates are:

- 48.5 cents per mile for business miles driven;
- 20 cents per mile driven for medical or moving purposes; and
- 14 cents per mile driven in service of charitable organizations.

Travel Expenses

Travel expenses are your “ordinary and necessary” expenses while you are traveling away from home on business. You are required to show that your trip away from home was primarily for business.

Keep all receipts and whatever other documents you can gather at the time of the trip to prove where you went, why you went there, how long you stayed and how much you spent. If your travel includes some business and some personal aspects, be sure to keep

clear records showing exactly how much is related to business. Keep the following:

Lodging receipts: These should show where you were, how long you were there, and charges. Also keep records for cleaning and laundry, telephone charges, tips, and other charges not shown separately.

Transportation receipts: These include airplane, train or bus ticket stubs, travel agency receipts, rental car or taxi receipts, etc., all showing the amounts, dates and destinations involved.

Meal receipts: Generally, you must keep a log of your meal expenses and save receipts for amounts of \$75 or more. If you do not want to keep track of the actual costs of your meals, you may qualify to use the standard meal

allowance. In 2006, the rates ranged from \$39 to \$64 a day depending on where and when you were traveling in the United States.

Whether you use the standard meal allowance or actual expenses, you generally can only claim a deduction for 50 percent of the un-reimbursed cost of your meals while you are traveling.

See IRS Publication 463, *Travel, Entertainment, Gift, and Car Expenses*, and Publication 535, *Business Expenses*.



May 2007

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

		1	2 Deposit Payroll tax for payments on Apr 25-27 if the semiweekly deposit rule applies.	3	4 Deposit Payroll tax for payments on Apr 28-May 1 if the semiweekly deposit rule applies.	5
6	7	8	9 Deposit Payroll tax for payments on May 2-4 if the semiweekly deposit rule applies.	10	11 Deposit Payroll tax for payments on May 5-8 if the semiweekly deposit rule applies.	12
13	14 Deposit excise taxes for the last 15 days of April.	15 Deposit Payroll tax for April if the monthly deposit rule applies.	16 Deposit Payroll tax for payments on May 9-11 if the semiweekly deposit rule applies.	17	18 Deposit Payroll tax for payments on May 12-15 if the semiweekly deposit rule applies.	19
20	21	22	23 Deposit Payroll tax for payments on May 16-18 if the semiweekly deposit rule applies.	24	25 Deposit Payroll tax for payments on May 19-22 if the semiweekly deposit rule applies.	26
27	28 Memorial Day	29 Deposit excise taxes for the first 15 days of May.	30	31 Deposit Payroll tax for payments on May 23-25 if the semiweekly deposit rule applies. File Form 730 and pay the tax on wagers accepted during April. File Form 2290 and pay the tax for vehicles first used in April.		

Stay on Track

Visit www.irs.gov/smallbiz for guidance on the new IRS Attributed Tip Income Program (ATIP) available for the food and beverage industry.

APRIL

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Keeping your business records in a filing system is just as important as any other aspect of your business.

So, what's the best way to keep good records? It doesn't have to be complicated. Use any recordkeeping system suited to your business that clearly and accurately shows your income and expenses.

Your tax records must support all the income, tax deductions, and credits you show on your tax return. Carefully track all of your income and where it comes from. It's important to separate your business and personal receipts and your taxable and nontaxable income.

Be careful if you transfer some of your personal funds into your business account, essentially making a "loan" to the business. Keep complete records of that transaction so that you don't include the money in your taxable business income by mistake.

Expenses

Record your expenses when you pay or incur them, depending on your method of accounting. It's easy to forget about some of last year's expenses when you're filling out your tax return. Overlooking deductible expenses can cost you.

Assets

Your business assets are the property and equipment you own and use for your business. Keep a complete and detailed record of your assets, showing when you acquired them, how much you paid for them and how you use the assets in your business. This detailed record will allow you to depreciate your assets properly and report the correct gain or loss when you dispose of them.

Self-Employment Earnings

If you are self-employed, you must pay self-employment tax. This tax provides for your Social Security benefits when you retire or are disabled. The amount of benefits you receive depends on how much you earn and contribute to the Social Security system.

Car Expenses

It's important to get into the habit of recording your business mileage at the time you actually use your car. Try keeping a logbook in the glove compartment and jotting down the mileage at the beginning and end of each business-related trip. Record parking fees and tolls, and save your insurance and repair receipts.

Payroll Taxes

If you have employees, you must keep all records dealing with federal employment taxes for at least four years after the tax is due or paid, whichever is later. Make sure your records include your employer identification number, the confirmation number or tax record from any electronic payments, copies of the tax returns you filed, and the dates and amounts of all the employment tax deposits you have made.

Keep track of your employees' Social Security and Medicare (FICA) taxes and income tax withholding in the same way, by recording the date and amount of each paycheck and the date and amount of the taxes you withheld.

You must also keep a record of the federal unemployment (FUTA) tax you paid. Record the total amount you paid for each employee and the amount you paid into the state unemployment fund.

Travel and Entertainment

Keep all business-related travel and entertainment receipts. Indicate the exact business reason for these expenses.

See **IRS Publication 15 Circular E**, *Employer's Tax Guide*, **Publication 463**, *Travel, Entertainment, Gift, and Car Expenses*, and **Publication 583**, *Starting a Business and Keeping Records*.

June 2007

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

					1 Deposit Payroll tax for payments on May 26-29 if the semiweekly deposit rule applies.	2
3	4	5	6 Deposit Payroll tax for payments on May 30-Jun 1 if the semiweekly deposit rule applies.	7	8 Deposit Payroll tax for payments on Jun 2-5 if the semiweekly deposit rule applies.	9
10	11	12	13 Deposit Payroll tax for payments on Jun 6-8 if the semiweekly deposit rule applies.	14 Deposit excise taxes for the last 16 days of May.	15 Deposit Payroll tax for payments on Jun 9-12 if the semiweekly deposit rule applies. Deposit Payroll tax for May if the monthly deposit rule applies. Individuals: Pay the second installment of your estimated tax for 2007. Corporations: Deposit the second installment of your estimated tax for 2007.	16
17	18	19	20 Deposit Payroll tax for payments on Jun 13-15 if the semiweekly deposit rule applies.	21	22 Deposit Payroll tax for payments on Jun 16-19 if the semiweekly deposit rule applies.	23
24	25	26	27 Deposit Payroll tax for payments on Jun 20-22 if the semiweekly deposit rule applies.	28	29 Deposit Payroll tax for payments on Jun 23-26 if the semiweekly deposit rule applies. Deposit excise taxes for the first 15 days of June.	30

Learn the Laws

Learn about business taxes on your own time – at your own pace! Visit the Online Learning and Educational Products Web site at www.irs.gov/smallbiz.

MAY

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JULY

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How to Survive Paying Taxes

Death and taxes. Ben Franklin said that they are the only two things in life that are certain. But you don't have to let your tax responsibilities drive you or your business to an early grave.

One problem many new business owners may run into is not budgeting money to set aside for your taxes. You may find yourself short on cash when it comes time to file. Even if you cannot pay, file your tax returns anyway!

Don't wait until the time to file has come and gone. Gather your records and file all your tax forms by their due dates—even if you can't pay a cent. Of course, to keep down the interest and penalties, try to pay as much as you can. If you receive a notice from the IRS, respond right away. Don't ignore it; it won't go away.

If the next deadline rolls around and you still can't pay, go ahead and file on time. At least you'll avoid the failure-to-file penalty. Along with your return, attach an Installment Agreement Request (Form 9465). You can propose your own monthly payment date and amount using this form. If circumstances make it unlikely that you could pay the full tax even on an installment plan, ask for a copy of Publication 594, *What You Should Know About the IRS Collection Process*. This publication lists alternative methods for resolving your account.

The failure-to-pay penalty may be reduced from .5% to .25% per month during the period in which an individual installment agreement is in effect. However, you must have filed on time.

The Do-It-Yourself Social Security Program

For most employees, social security and Medicare taxes are deducted from every paycheck, helping to provide retirement income and Medicare coverage. But if you are self-employed, you pay for your coverage through the self-employment tax that you compute and pay when you file your federal income tax each year.

Generally, if you carry on a trade or business as a sole proprietor, an independent contractor, a member of a partnership that carries on a trade or business, or are otherwise in business for yourself, then you are self-employed. Part-time work can qualify as self-employment even if it's work you do in addition to a regular full-time job. The maximum amount of net earnings subject to the social security part of the self-employment tax for tax years beginning in 2005 has increased to \$90,000. All net earnings of at least \$400 are subject to the Medicare part of the tax.

In most cases, self-employment income does not include interest, dividends, capital gains, or rent from real estate. Many self-employed people will have to make quarterly estimated tax payments. It's important to remember that your self-employment tax will increase the total federal tax you owe.

Be sure to take this into account when you determine how much estimated tax to pay each quarter. When you file your tax return, you must fill out Schedule SE, where you report your self-employment income and calculate the self-employment tax you owe.

See IRS Publication 533, *Self-Employment Tax*.

July 2007

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2 File Form 730 and pay the tax on wagers accepted during May. File Form 2290 and pay the tax for vehicles first used in May. File Form 11-C to register and pay the annual tax if you are in the business of taking wagers.	3	4 Independence Day	5 Deposit Payroll tax for payments on Jun 27-29 if the semiweekly deposit rule applies.	6	7
8	9 Deposit Payroll tax for payments on Jun 30 if the semiweekly deposit rule applies. Deposit Payroll tax for payments on Jul 1-3 if the semiweekly deposit rule applies.	10	11 Deposit Payroll tax for payments on Jul 4-6 if the semiweekly deposit rule applies.	12	13 Deposit Payroll tax for payments on Jul 7-10 if the semiweekly deposit rule applies. Deposit excise taxes for the last 15 days of June.	14
15	16 Deposit Payroll tax for June if the monthly deposit rule applies.	17	18 Deposit Payroll tax for payments on Jul 11-13 if the semiweekly deposit rule applies.	19	20 Deposit Payroll tax for payments on Jul 14-17 if the semiweekly deposit rule applies.	21
22	23	24	25 Deposit Payroll tax for payments on Jul 18-20 if the semiweekly deposit rule applies.	26	27 Deposit Payroll tax for payments on Jul 21-24 if the semiweekly deposit rule applies. Deposit excise taxes for the first 15 days of July.	28
29	30	31 Deposit FUTA tax owed through June if more than \$500. File Form 720 for the 2nd quarter of 2007. File Form 730 and pay the tax on wagers accepted during June. File Form 941 for the 2nd quarter of 2007. File Form 2290 and pay the tax for vehicles first used in June. If you maintain an employee benefit plan, file Form 5500 or 5500EZ for 2006. File Form 5558 to request extension to file Forms 5500 or 5500EZ.				

Seek Help

An *e-file* Provider can help you zip through your tax filing. Find an Authorized IRS *e-file* Provider at www.irs.gov/smallbiz.

JUNE

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AUGUST

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Take Stock of your Work | CALCULATE DEDUCTIONS

www.irs.gov/smallbiz

Over time, business equipment ages, deteriorates, or becomes obsolete. You can get back a portion of your cost for certain property by taking deductions for depreciation. Generally, to depreciate your assets, the property must be used in your business or income-producing activity, must have a determinable useful life of more than one year, and must be property you own.

You can begin to depreciate the property as soon as it is available for a specific use in your business or income-producing activity. You stop depreciating the property when you've recovered its cost (or other basis), or when you retire it from service, whichever comes first.

The kind of property you own affects how you can claim a depreciation deduction. Property falls into two categories: tangible and intangible.

Tangible property can be seen or touched, such as buildings, cars, machinery, or equipment. If you own tangible property that you use for both personal and business purposes, you may take deductions based only on the business use portion of the property. Certain types of property can never be depreciated. For example, you can't depreciate the cost of land because it does not wear out or become obsolete. The cost of inventory does not qualify for the depreciation deduction, either.

Intangible property is generally any property that can't be seen or touched, such as copyrights, franchises, and patents. Certain types of intangible property cannot be depreciated but must be amortized instead.

To see if you can claim depreciation deductions, get Form 4562, *Depreciation and Amortization*, and its instructions. You may be able to deduct all or part of the cost of



certain qualifying property used in your business in the year you placed it in service by claiming a section 179 deduction, *Election to Expense Certain Business Assets*. The advantage of claiming the section 179 deduction is that you get to deduct more up front. Like depreciation deductions, you can claim the section 179 deduction only when your property is ready to be used in your business or income-producing activity.

The total amount you can elect to deduct under section 179 for most property placed in service in 2006 cannot be more than \$108,000. If you acquire and place in service more than one item of qualify property during the year, you can allocate the section 179 deduction among the items in any way, as long as the total deduction is not more than \$108,000.

See IRS Publication 946, *How to Depreciate Property* and Publication 535, *Business Expenses*.

August 2007

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

			1 Deposit Payroll tax for payments on Jul 25-27 if the semiweekly deposit rule applies.	2	3 Deposit Payroll tax for payments on Jul 28-31 if the semiweekly deposit rule applies.	4
5	6	7	8 Deposit Payroll tax for payments on Aug 1-3 if the semiweekly deposit rule applies.	9	10 Deposit Payroll tax for payments on Aug 4-7 if the semiweekly deposit rule applies.	11
12	13	14 Deposit excise taxes for the last 16 days of July.	15 Deposit Payroll tax for payments on Aug 8-10 if the semiweekly deposit rule applies. Deposit Payroll tax for July if the monthly deposit rule applies. Individuals: File a 2006 calendar year return (Form 1040, 1040A, or 1040EZ) with first extension.	16	17 Deposit Payroll tax for payments on Aug 11-14 if the semiweekly deposit rule applies.	18
19	20	21	22 Deposit Payroll tax for payments on Aug 15-17 if the semiweekly deposit rule applies.	23	24 Deposit Payroll tax for payments on Aug 18-21 if the semiweekly deposit rule applies.	25
26	27	28	29 Deposit Payroll tax for payments on Aug 22-24 if the semiweekly deposit rule applies. Deposit excise taxes for the first 15 days of August.	30	31 Deposit Payroll tax for payments on Aug 25-28 if the semiweekly deposit rule applies. File Form 730 and pay tax on wagers accepted during July. File Form 2290 and pay the tax for vehicles first used in July.	

Train Your Team

The Small Business Resource Guide, Publication 3207, is a CD-ROM with valuable information on business tax forms, tax publications, government agencies, non-profit organizations, and educational institutions. Order online at www.irs.gov/smallbiz or call 800-829-3676.

JULY

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SEPTEMBER

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Protection of Your Rights

IRS employees will explain and protect your rights as a taxpayer throughout your contact with the IRS.

Payment of Only the Correct Amount of Tax

You are responsible for paying only the correct amount of tax due under the law — no more, no less. If you cannot pay all of

your tax when it is due, you may be able to make monthly installment payments. Interest will still apply. A late payment penalty will also apply, unless reasonable cause is established. Even if you can't pay all of your tax when it is due, you should file appropriate tax returns to avoid being charged a late filing penalty.

you filed your return (visit smallbiz at www.irs.gov, under Contact My Local Office).

Representation

You may either represent yourself or, with proper written authorization, have someone else represent you. Your representative must be a person allowed to practice before the IRS, such as an attorney, certified public

Privacy and Confidentiality

The IRS will not disclose to anyone the information you give the IRS, except as authorized by law. You have the right to know why the IRS is asking you for information, how it will be used, and what happens if you do not provide the requested information.

Professional and Courteous Service

If you believe that an IRS employee has not treated you in a professional, fair, and courteous manner, you should tell that employee's supervisor. If the supervisor's response is not satisfactory, you should write to the IRS Center where

accountant, or enrolled agent. If you are in an interview and ask to consult such a person, then, in most cases, we must stop and reschedule the interview. You can have someone accompany you to an interview. You may make sound recordings of any meetings with examination, appeals, or collection personnel, provided you tell the IRS in writing 10 days before the meeting.

Help from the Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should. If you believe you are eligible for TAS assistance, call toll free 877-777-4778 (800-829-4059 for TTY/TDD) or visit the Web site www.irs.gov/advocate.

Appeals and Judicial Review

If you disagree with the IRS about the amount of your tax liability or certain collection actions, you have the right to ask the Appeals Office to review your case. You may also ask a court to review your case.

Relief from Certain Penalties and Interest

The IRS can waive penalties when allowed by law if you can show you acted reasonably and in good faith or relied on the incorrect advice of an IRS employee. We can waive interest that is the result of certain errors or delays caused by an IRS employee.

See IRS Publication 1, *Your Rights as a Taxpayer*.

Examinations (Audits)

The IRS accepts most taxpayers' returns as filed. If the IRS inquires about your return or selects it for examination, that does not suggest you are dishonest. The inquiry or examination may or may not result in more tax; your case may be closed without change or you may receive a refund.

Repeat Examinations

If the IRS examined your return for the same items in either of the two previous years and proposed no change to your tax liability, please call as soon as possible so the IRS can determine whether to discontinue the examination. Publication 556, *Examination of Returns, Appeal Rights, and Claims for Refund*, will give you more information about the rules and procedures of an IRS examination.

Appeals

If you do not agree with the examiner's proposed changes you can appeal them to the Appeals Office of IRS. Most differences can be settled without expensive and time-consuming court trials. Your appeal rights are explained in Publication 5, *Your Appeal Rights and How to Prepare a Protest If You Don't Agree*.

If you do not wish to use the Appeals Office or disagree with its findings, you may be able to take your case to the U.S. Tax Court, U.S. Court of Federal Claims, or the U.S. District Court where you live. If the court agrees with you on most issues in your case and finds that the IRS' position was largely unjustified, you may be able to recover some of your administrative and litigation costs.



Collections

Publication 594, *What You Should Know about the IRS Collection Process*, explains your rights and responsibilities regarding payment of federal taxes. It describes what to do when you owe taxes and the collection actions that the IRS may take.

Innocent Spouse Relief

Generally, both you and your spouse are responsible, jointly and individually, for paying the full amount of any tax, interest, or penalties due on your joint return. However, if you qualify for innocent spouse relief, you may not have to pay the tax, interest, and penalties attributable to your spouse (or former spouse). For more information, see Publication 971, *Innocent Spouse Relief*.

See IRS Publication 1, *Your Rights as a Taxpayer*.

October 2007

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

	1 File Form 730 and pay tax on wagers accepted during August. File Form 2290 and pay the tax for vehicles first used in August.	2	3 Deposit Payroll tax for payments on Sep 26-28 if the semiweekly deposit rule applies.	4	5 Deposit Payroll tax for payments on Sep 29-30 if the semiweekly deposit rule applies. Deposit Payroll tax for payments on Oct 1-2 if the semiweekly deposit rule applies.	6
7	8 Columbus Day	9	10	11 Deposit Payroll tax for payments on Oct 3-5 if the semiweekly deposit rule applies.	12 Deposit Payroll tax for payments on Oct 6-9 if the semiweekly deposit rule applies. Deposit excise taxes (non-EFTPS) for the last 5 days of September.	13
14	15 If you maintain an employee benefit plan and filed for an extension prior to July 31, file Form 5500 or 5500EZ for 2006. Deposit Payroll tax for September if the monthly deposit rule applies. Individuals: File a 2006 calendar year return (Form 1040, 1040A, or 1040EZ) with second extension. Partnerships: File a 2006 calendar year return (Form 1065) with second extension.	16	17 Deposit Payroll tax for payments on Oct 10-12 if the semiweekly deposit rule applies.	18	19 Deposit Payroll tax for payments on Oct 13-16 if the semiweekly deposit rule applies.	20
21	22	23	24 Deposit Payroll tax for payments on Oct 17-19 if the semiweekly deposit rule applies.	25	26 Deposit Payroll tax for payments on Oct 20-23 if the semiweekly deposit rule applies.	27
28	29 Deposit excise taxes for the first 15 days of October.	30	31 Deposit Payroll tax for payments on Oct 24-26 if the semiweekly deposit rule applies. File Form 720 for the 3rd quarter of 2007. File Form 730 and pay the tax on wagers accepted during September. Deposit FUTA tax owed through September if more than \$500. File Form 941 for the 3rd quarter of 2007. File Form 2290 and pay the tax for vehicles first used in September.			

Plan Payments

Visit www.eftps.gov for more information on the Electronic Federal Tax Payment System (EFTPS).



SEPTEMBER

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NOVEMBER

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							18	19	20	21	22	23	24
							25	26	27	28	29	30	

Blueprint for Success

DEVELOP YOUR SUPPORT SYSTEMS www.irs.gov/smallbiz

Small Business Help from the IRS

At one time or another, every small business owner has tax questions. The IRS offers a variety of types of assistance to small business owners: publications, CD-ROMs, videos, Taxpayer Assistance Centers, toll-free tax assistance, classes, and workshops.

Publication 1066C, *The Virtual Small Business Tax Workshop DVD* – This new product replaces Publication 3700, *A Virtual Small Business Workshop CD-ROM* and Publication 3693, *Introduction to Federal Taxes for Small Business and Self-Employed CD-ROM*. The DVD is designed to help new and existing small business owners understand and meet their federal tax obligations. The workshop consists of ten lessons that provide information and resources in an interactive format. One of the many highlights of this DVD is that you can view only the topics that apply to your type of business – it literally allows you to customize your lessons. This easy to navigate DVD is playable on commercial DVD players or personal computers. The DVD is also subtitled in English, Spanish, and Mandarin Chinese.

Publication 3207, *Small Business Resource Guide CD* – This CD contains important information including all the business tax forms, instructions, and publications needed by small business owners. The CD also provides valuable business information on a variety of government agencies, non-profit organizations, and educational institutions. The CD contains essential startup information needed to plan and finance a new business. The design of the CD makes finding information quick and easy and incorporates file formats and browsers which can be run on virtually any desktop or laptop computer. Starting in 2007, steps will be

taken to transition the resource guide from a CD format to a Web-based application. The goal is to make the resource guide content accessible on IRS.gov in 2008.

To order these products, call 800-829-3676 or order online at www.irs.gov/smallbiz.

The Business and Specialty Tax Line

The Business and Specialty Tax Line is available at 800-829-4933. The line assists small businesses, small corporations, partnerships, and trust customers with their business returns or accounts. Assistance will cover Employee Identification Numbers; Forms 940/941, 1041, 1065, 1120S; Excise Returns; Estate and Gift Tax Returns; and Federal Tax Deposit issues.

IRS Tax Forms and Publications CD

The CD containing current and prior year tax forms and publications, can be purchased from the National Technical Information Service (NTIS). Order the CD by calling toll free 877-233-6767 or at www.irs.gov/cdorders.

Small Business Web site

Starting, operating, or closing a business? Visit the Small Business and Self-Employed one-stop resource at www.irs.gov/smallbiz. This site provides information such as a checklist for a new business and selecting a business structure. Learn about operating a business with employees, deductions and credits, recordkeeping and accounting methods. Additional resources include the online version of the Tax Calendar for Small Businesses and Self-Employed, Tax Topics for Businesses, and Frequently Asked Questions.

Indian Tribal Governments (ITG)

The office of Indian Tribal Governments (ITG) at the Internal Revenue Service was established to help Indian tribes deal with their federal tax matters. During the planning and creation of this office, valuable information was received from Indian tribal governments and tribal associations to better understand and meet specialized needs.

The ITG office provides a single point of contact for assistance and service. Five field groups provide primary frontline service and are aligned to respect tribal affiliations wherever possible. These field groups consist of tribal government specialists who work in locations near the seats of tribal governments. The specialists address issues and provide guidance unique to Indian country. Issues may relate to tribal governments as employers, distributions to tribal members, and the establishment of governmental programs, trusts, and businesses. The overall goal of this office is to use partnership opportunities with Indian tribal governments, tribal associations, and other federal agencies to respectfully and cooperatively meet the needs and simplify the tax administration process. Visit us at www.irs.gov/tribes to locate the office nearest you.

Help us to help you!

We want to know how our product fits your needs as a business person. In our efforts to make a better, more informative, and more “user friendly” product, we need your input. If you would like to send us your feedback about the 2007 Tax Calendar for Small Businesses and Self-Employed, please take a moment to fill out a brief survey on



our Web site at www.irs.gov/smallbiz (click on Rate Our Products).

Other Resources

Social Security Administration
800-772-6270
(Employer Information Line)
www.ssa.gov/employer
Small Business Administration Answer Desk
6302 Fairview Road, Suite 300
Charlotte, North Carolina 28210
1-800-U-ASK-SBA (800-827-5722)
Send e-mails to: answerdesk@sba.gov
Answer Desk TTY: 704-344-6640
www.sba.gov

November 2007

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

				1	2 Deposit Payroll tax for payments on Oct 27-30 if the semiweekly deposit rule applies. Notify employees of salary reduction rights and type of employer contribution for SIMPLE IRA or 401(k) plans.	3	
4	5	6	7 Deposit Payroll tax for payments on Oct 31-Nov 2 if the semiweekly deposit rule applies.	8	9 Deposit Payroll tax for payments on Nov 3-6 if the semiweekly deposit rule applies.	10	Future Preparation For information on all sorts of retirement plan issues, visit www.irs.gov/ep .
11	12 Veteran's Day	13 File Form 941 for the 3rd quarter of 2007.	14 Deposit excise taxes for the last 16 days of October.	15 Deposit Payroll tax for payments on Nov 7-9 if the semiweekly deposit rule applies. Deposit Payroll tax for October if the monthly deposit rule applies.	16 Deposit Payroll tax for payments on Nov 10-13 if the semiweekly deposit rule applies.	17	
18	19	20	21 Deposit Payroll tax for payments on Nov 14-16 if the semiweekly deposit rule applies.	22 Thanksgiving Day	23	24	
25	26 Deposit Payroll tax for payments on Nov 17-20 if the semiweekly deposit rule applies.	27	28 Deposit Payroll tax for payments on Nov 21-23 if the semiweekly deposit rule applies.	29 Deposit excise taxes for the first 15 days of November.	30 Deposit Payroll tax for payments on Nov 24-27 if the semiweekly deposit rule applies. File Form 730 and pay the tax on wagers accepted during October. File Form 2290 and pay the tax for vehicles first used in October.		
					OCTOBER 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	DECEMBER 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	

Plan for your Future

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IRA, SEP, SIMPLE, and 401(k) Plans

Whether your retirement days are near or far, you should be up-to-date on the types of retirement plans available to you and your employees. The plans you will hear most about are IRA, SEP, SIMPLE, and 401(k). In addition to providing for your retirement, they may offer significant tax benefits today.

Individual Retirement Arrangement (IRA)

IRAs are plans that let you set aside money for your retirement. Banks, financial institutions, mutual funds, and stockbrokers are among those who offer IRA accounts.

Traditional IRAs. You can set up this IRA if you are under age 70½ at the end of the year and have taxable compensation greater

than or equal to your contribution during the year. Generally, for 2007 you can contribute up to \$4,000 (\$5,000 if you are 50 or older); and it may be tax deductible in full or in part, depending on your circumstances. The amounts earned by your IRA contributions are usually not taxed until you withdraw the money. Generally, you can't withdraw money from your IRA before you turn age 59½ without paying income taxes and a 10% additional tax.

Roth IRA. Regardless of your age, you may be able to set up a Roth IRA. In 2007, you can generally contribute up to \$4,000 (\$5,000 if you are 50 or older) a year depending on your income. This limit is reduced by any contributions you make to a traditional IRA. You can't deduct your contributions, but if certain requirements are met, earnings will be tax-free.

Self-employed people can participate in the following three plans even if their spouses are covered by a plan.

Qualified Plan

A qualified plan is one that meets the requirements of the Internal Revenue Code. You can generally contribute more to a qualified plan than to a traditional IRA. For qualified plans, total employer contributions for 2007 can be as much as 100 percent (up to a maximum of \$45,000) of the individual employee's compensation. For additional information, see Publication 4222, *401(k) Plans for Small Businesses*.

Simplified Employee Pension (SEP)

The SEP was specifically designed for small employers and has very few administrative burdens or costs. The employer's contributions (which can be up to 25 percent of the employees' compensation or

\$45,000, whichever is less) are made directly to IRAs that the employer sets up for the employees. For additional information, see Publication 4333, *SEP Retirement Plans for Small Businesses*.

Savings Incentive Match Plan for Employees (SIMPLE)

Generally, an employer can set up a SIMPLE plan if he or she has 100 or fewer employees and meets several other requirements. A SIMPLE plan is an arrangement under which an employer makes contributions to employees' SIMPLE retirement account. The two types of SIMPLE plans are the SIMPLE IRA and SIMPLE 401(k) plans. For additional information, see Publication 4334, *SIMPLE IRA Plans for Small Businesses*.

Check-Up. Help your retirement plan thrive by taking a "Check-Up" featuring a checklist of some of the basic requirements for operating your plan. Just go to www.irs.gov/ep, click on "Plan Sponsor/Employer", and select "Retirement Plan Check-Ups."

See *Timing is Everything* flyers in issues of the Retirement News for Employers. These flyers provide retirement plan participants with helpful tips on when they should start receiving distributions, make tax deductible contributions, and more. These handy flyers are ready for use as inserts in pay statement envelopes, internal e-mails/newsletters, or posting to employee bulletin boards. Go to www.irs.gov to subscribe to the Retirement News for Employers.

See Publication 590, *Individual Retirement Arrangements (IRAs) (Including Roth IRAs and Education IRAs)*, and Publication 560, *Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)*.



December 2007

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3	4	5 Deposit Payroll tax for payments on Nov 28-30 if the semiweekly deposit rule applies.	6	7 Deposit Payroll tax for payments on Dec 1-4 if the semiweekly deposit rule applies.	8
9	10	11	12 Deposit Payroll tax for payments on Dec 5-7 if the semiweekly deposit rule applies.	13	14 Deposit Payroll tax for payments on Dec 8-11 if the semiweekly deposit rule applies. Deposit excise taxes for the last 15 days of November.	15
16	17 Deposit Payroll tax for November if the monthly deposit rule applies. Corporations: Deposit the fourth installment of estimated tax for 2007.	18	19 Deposit Payroll tax for payments on Dec 12-14 if the semiweekly deposit rule applies.	20	21 Deposit Payroll tax for payments on Dec 15-18 if the semiweekly deposit rule applies.	22
23	24	25 Christmas Day	26	27 Deposit Payroll tax for payments on Dec 19-21 if the semiweekly deposit rule applies.	28 Deposit Payroll tax for payments on Dec 22-25 if the semiweekly deposit rule applies. Deposit excise taxes for the first 15 days of December.	29
30	31 File Form 730 and pay the tax on wagers accepted during November. File Form 2290 and pay the tax for vehicles first used in November.	Tuesday, January 1, 2008 New Year's Day	Thursday, January 3, 2008 Deposit Payroll tax for payments on Dec 26-28 if the semiweekly deposit rule applies.	Friday, January 4, 2008 Deposit Payroll tax for payments on Dec 29-31 if the semiweekly deposit rule applies.	NOVEMBER 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	JANUARY 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Business Assistance

For information on small business workshops, industry trends, news alerts, and links to small business resources, visit www.irs.gov/smallbiz.



One-on-One Help from the Social Security Administration

Employers who need help with general wage reporting information can call the Social Security Administration's Employer Reporting Service Center toll free at 800-772-6270.

For answers to more technical questions, employer service liaison officers are available around the country. They are the experts in wage reporting. They can help solve even the toughest problems. Call 800-772-6270 and ask for the liaison officer for your area.

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Other Services Available

Form W-2 Filing Information

Each year, employers must send Copy A of Forms W-2 with Form W-3 to the Social Security Administration (SSA) by the last day of February (or last day of March if they file electronically) to report the wages and taxes of their employees for the previous calendar year.

Employers can now find online all of the wage reporting information and publications they need to meet their wage reporting responsibilities. Go to www.socialsecurity.gov/employer on the Internet.

Electronic Filing of W-2s

Employers and their authorized representatives can now file W-2 reports over the Internet. There are three electronic filing methods available through Social Security's Business Services Services Web site:

- 1. W-2 Online** – You can complete up to 20 Forms W-2 right on your computer, electronically submit them to SSA, and print copies suitable for distribution to your employees. This option is ideal for businesses with 20 or fewer employees or for individuals with household employees.
- 2. W-2C Online** – This service is similar to W-2 Online, except it allows you to complete up to 20 W-2Cs (Corrected Wage and Tax Statements). This service can be used regardless of which service you used to submit the original W-2 to Social Security.
- 3. Upload a Wage Report** – You can upload a wage report file formatted according to Social Security's Magnetic Media Reporting and Electronic Filing for Tax Year 2004 specifications. This option is ideal for any size filer.

Follow these simple steps to get started: Go to www.socialsecurity.gov/employer and select "Business Services Online." (You will need to register for a Personal Identification Number (PIN) and password by selecting registration and following the instructions. A PIN will be provided immediately after completing the registration process. A password will be mailed in approximately 2 weeks). Select "Login" and enter your PIN and password.

Third-party preparers need only register one time in their firm's name. December is the preferred month to register. Social Security usually begins accepting electronic submissions the first week in January.

Internet filing is fast, secure, and economical. It also offers these great features:

- an additional 30 days to file your federal W-2 reports (until the last day of March);
- more time to spot errors before submission
- an immediate receipt for your file;
- the ability to check on the status of your file; and
- a paperless way to file.

Get more information on filing W-2s online in the Business Services Online Handbook. Go to www.socialsecurity.gov/employer and click on "E-Filing Handbook" or call 800-772-6270.

Verifying Employee Names and Social Security Numbers (SSNs)

The name and SSN listed on each W-2 must match the name and SSN on the employee's Social Security card. This match ensures that the earnings of each worker are properly recorded to their lifetime earnings record.

The earnings record is the basis for determining Social Security benefit eligibility and benefit amount.

SSA's free Employee Verification Service (EVS) easily identifies inaccurate name and SSN combinations so they can be corrected before you submit your W-2s to SSA. There are three convenient ways to use the service:

Under 5 Names – Call 800-772-6270. For each name and SSN you want verified, have ready the following information when you call: SSN, last name, first name, middle initial (if applicable), date of birth, gender. Also have available the employer name and EIN (Employer Identification Number).

Under 50 Names – Contact your nearest Social Security Office. You can locate their address on the Internet at www.ssa.gov, or by calling 800-772-1213.

Over 50 Names – This option is ideal for employers who want to verify their entire payroll database. You can submit your request on paper listing, magnetic tape, or diskettes. You must register for this service. For details visit SSA's Web site at www.ssa.gov/employer/ssno.htm.

Setting the Record Straight with the IRS

If you omit some information from your tax return, make an error, or miss a tax-filing deadline, it doesn't have to be a major problem. However, you should take prompt action to set things right. It can be less expensive and less complicated to correct errors before receiving notices from IRS. Forms you may use to report corrections include:

Form 941, Employer's Quarterly Federal Tax Return. If you make an error in the amount of taxes you withheld from employees, you can make an adjustment on the next return

if it is during the same calendar year. Attach Form 941C, *Supporting Statement to Correct Information*.

Form 941C, Supporting Statement to Correct Information. Generally, you must fill out this form or a similar statement if the amount of employee wages you reported in a prior period was incorrect. Use this form to make adjustments at any time within 3 years of the return due date or the date the return was filed, whichever is later. (For purposes of the statute of limitations, the due date of each of the Forms 941 filed during a tax year is April 15 of the year following the close of that tax year.) You may also have to file Form W-2C and Form W-3C. Form 941C is never filed separately but, instead, is filed with another form such as Form 941.

Form W-2C, Corrected Wage and Tax Statement, and Form W-3C, Transmittal of Corrected Wage and Tax Statements. These forms are used to correct the information about your employees' total earnings and withholdings for the year. Forms W-2C and W-3C can now be accessed and completed online. See Social Security's Business Tips for Success for more information.

Form 1040X, Amended U.S. Individual Income Tax Return. If you made a mistake on your individual tax return, use this form to correct any errors. If you owe tax as a result of error, you should send the additional tax owed with Form 1040X. This will stop additional penalties and interest from accruing on the additional tax owed.

Form 1065, U.S. Return of Partnership Income. If you made a mistake on a partnership return, check the box for "amended return" on Form 1065, then follow the instructions. Give each partner a copy of the amended Schedule K-1.

Form 1120X, Amended U.S. Corporation Income Tax Return. If you made a mistake on your corporate tax return, use this form. If you owe tax, you should send it in with the form.

Forms 1099 and 1098. These are examples of information returns. Use the instructions for making corrections that come with the form.

Federal Tax Deposits (FTDs). You should report the deposited amounts on your 941 quarterly payroll tax return. Correct any mistakes as soon as possible. If you are not required to make your deposits electronically, be sure to include a Form 8109 (the FTD coupon) with each deposit you deliver or mail to an authorized depository.

A Notice from the IRS: What Should You Do? If you get a notice of any kind from the IRS, open it, read it, then do something about it. Most notices include a deadline for your response, so it's important to be prompt. If you have questions about the notice, most notices include instructions on how to get more information.

The IRS writes to people for many reasons. Examples include:

- Your notice may request information that was missing from your tax return;
- If your notice is about an examination or audit, you will be asked to produce certain information for the examination at a specified time and place; or
- Your notice may ask for payment of a tax bill.

Examples of other notices include:

CP 102: A math error was found on certain forms (such as Forms 941, 942, 943 or 945

return) that you filed, and the IRS believes you owe more tax.

CP 138: The tax you overpaid on one tax return was applied to another return where you owed tax.

CP 165: Your check for your FTD or estimated taxes was returned. This notice asks for the payment, plus a bad check penalty of two percent (the minimum penalty is \$15).

CP 205: You used the wrong taxpayer identification number on your FTD coupon.

CP 2501: A discrepancy was found between what you reported as your income, credit, or deduction and what the IRS had on file.

Whether or not you agree with the notice, call or write the person listed on the notice or call your local IRS office before the deadline. It is important to let the IRS know that you received the notice and that you are doing something about it.

Putting off contacting the IRS, especially in the case of notices requesting payment, can increase the amount you owe because penalties and interest keep accruing. The IRS Web site now has information to help you better understand some of our notices. You can reach the IRS Web site at www.irs.gov/smallbiz.



Tax Publications

The IRS produces many free publications to help you fill out your tax return and to answer your tax questions. Many IRS publications and forms can be downloaded from the IRS Web site at www.irs.gov or ordered free by calling 800-829-3676. You can buy a CD-ROM of current and prior year tax forms and publications from the National Technical Information Service (toll free 877-233-6767 or at www.irs.gov/cdorders). You can also get forms via fax at 703-368-9694 (not a toll-free call).

The following are the most popular business publications and related forms.

Pub. 1, *Your Rights as a Taxpayer*, explains your rights at each step in the examination and collection process.

Pub. 15, *Circular E, Employer's Tax Guide*, explains your tax responsibilities as an employer, including the requirements for withholding, depositing, reporting and paying employment taxes.

Also see Forms 940, 940-EZ, 941.

Pub. 15-A, *Employer's Supplemental Tax Guide*, supplements Circular E and contains information on specialized topics such as employee classification and sick pay. It also contains alternative methods and tables for figuring income tax withholding.

Pub. 15-B, *Employer's Tax Guide to Fringe Benefits*, supplements Circular E and Publication 15-A, and contains detailed information on the employment tax treatment of fringe benefits.

Pub. 51, *Circular A, Agricultural Employer's Tax Guide*, explains your tax responsibilities for withholding, depositing, reporting, and paying employment taxes on agricultural (farm) labor.

Also see Form 943.

Pub. 225, *Farmer's Tax Guide*, identifies the kinds of farm income that must be reported and the different deductions that can be taken.

Also see Form 1040 (Schedules A, D, F, J, SE), 4136, 4562, 4684, 4797, 6251.

Pub. 334, *Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)*, explains federal tax laws that apply to sole proprietorships.

Also see Forms 1040 (Schedules C, C-EZ), 1040-ES, 1040-V.

Pub. 378, *Fuel Tax Credits and Refunds*, explains the credits or refunds of the federal excise taxes allowable for certain fuels. It also discusses the alcohol fuels credit.

Also see Forms 720, 4136, 8849, 6478.

Pub. 463, *Travel, Entertainment, Gift, and Car Expenses*, explains which business-related expenses for travel, entertainment, gifts, and car expenses are deductible and how to report them.

Also see Forms 2106, 2106-EZ.

Pub. 505, *Tax Withholding and Estimated Tax*, discusses the two methods of paying federal taxes by individuals, i.e., tax withholding and estimated tax. It also explains how taxpayers can take credit on their returns for withheld and estimated taxes.

Also see Forms 1040-ES, 2210, 2210-F, W-4, W-4P.

Pub. 509, *Tax Calendars for 2006*, contains three tax calendars: general, employer's, and excise. It lists specific due dates for filing tax forms, paying taxes and taking other required actions.

Pub. 510, *Excise Taxes for 2006*, covers in detail the various federal excise taxes reported on Forms 11-C, 720, and 730. These include environmental taxes; taxes on communications and air transportation; fuel taxes; manufacturers; taxes on vaccines; retail taxes on heavy trucks, trailers, and tractors; luxury taxes; ship passenger taxes; and the tax on wagering. It briefly describes other excise taxes and which forms to use in reporting and paying the taxes.

Also see Forms 11-C, 637, 720, 730, 6197, 6627.

Pub. 533, *Self-Employment Tax*, explains what self-employment tax is; why, how and who must pay it; and how to report it on your tax return.

Also see Form 1040 (Schedules C, SE).

Pub. 535, *Business Expenses*, discusses common business expenses and explains what is and is not deductible.

Also see Form 1045.

Pub. 536, *Net Operating Losses for Individuals, Estates, and Trusts*, discusses how to figure a NOL, when to use a NOL, how to claim a NOL deduction, and how to figure a NOL carryover.

Also see Form 1045.

Pub. 537, *Installment Sales*, discusses the rules that apply to installment sales.

Also see Form 6252.

Pub. 538, *Accounting Periods and Methods*, explains some of the rules for adopting or changing accounting periods and methods.

Also see Forms 1128, 3115.

Pub. 541, *Partnerships*, explains how the income tax laws applies to partnerships and to partners.

Also see Form 1065, 1065 (Schedule K-1).

Pub. 542, *Corporations*, discusses the income tax laws that apply to ordinary, domestic corporations.

Also see Forms 1120, 1120-A, 1120-S.

Pub. 544, *Sales and Other Dispositions of Assets*, explains how to figure gain or loss on the sale, exchange or other disposition of business or personal use property. It defines capital and non-capital assets and the tax effects of different types of gains and losses.

Also see Forms 1040 (Schedule D), 4797, 8824.

Pub. 547, *Casualties, Disasters, and Thefts (Business and Non-Business)*, explains how to treat casualty and theft losses. It also explains how to figure and prove a loss and how to treat the reimbursement received from insurance or other sources.

Also see Forms 4684, 4797.

Pub. 551, *Basis of Assets*, explains how to determine the cost or other basis of property for tax purposes.

Pub. 552, *Recordkeeping for Individuals*, discusses why a taxpayer should keep records, what kinds of records to keep, and how long to keep them.

Pub. 553, *Highlights of 2005 Tax Changes*, highlights tax law changes that take effect in 2005, 2006, and later years.

Pub. 556, *Examination of Returns, Appeal Rights, and Claims for Refund*, discusses general rules and procedures that IRS follows in examinations. It explains what happens during an examination and a taxpayer's appeal rights. It also explains how to file a claim for the refund of tax already paid.

Also see Forms 843, 1040X, 2848, 4506, 8379, 8857.

Pub. 557, *Tax-Exempt Status for Your Organization*, explains the rules and procedures that apply to organizations seeking exemption from federal income tax under section 501(a) of the Internal Revenue Code.

Also see Forms 990, 990-EZ, 990-PF, 1023, 1024.

Pub. 560, *Retirement Plans for Small Business*, discusses SEP, SIMPLE, and Qualified plans that a small business owner, including a self-employed individual, can set up for employees.

Also see Forms 5305-SEP, 5304-SIMPLE, 5305-SIMPLE, 5500-EZ.

Pub. 564, *Mutual Fund Distributions*, explains the tax treatment of distributions paid or allocated to an individual shareholder of a mutual fund, and explains how to figure gain or loss on the sale of mutual fund shares.

Also see Forms 1040 (Schedules B, D), 1099-DIV.

Pub. 575, *Pension and Annuity Income*, explains how to report pension and annuity income from a qualified plan; how to figure the taxable part of lump-sum distributions from pension, stock bonus, or profit-sharing plans; and how to roll over distributions from a qualified retirement plan.

Also see Forms 1040, 1040A, 1099-R, 4972.

Pub. 583, *Starting a Business and Keeping Records*, provides basic Federal tax information for people who are starting a business. It also provides information on keeping records and provides an example of a record-keeping system.

Also see Forms SS-4, 940, 941, 1040 (Schedules C, C-EZ, F, SE).

Pub. 587, *Business Use of Your Home (Including Use by Day-Care Providers)*, explains rules for figuring and claiming a deduction for business use of your home and what expenses may be deducted. It includes special rules for daycare providers.

Also see Form 8829.

Pub. 590, *Individual Retirement Arrangements (IRAs)*, explains the tax rules that apply to IRAs, including IRAs that are part of SEP and SIMPLE plans. Covers IRAs and personal savings plans that give tax advantages for setting aside money for retirement.

Also see Forms 1040, 1040A, 1099-R, 5329, 8606.

Pub. 595, *Capital Construction for Commercial Fishermen*, is intended for sole proprietors who use Form 1040 (Schedule C or C-EZ) to report a profit or loss from fishing. It highlights some special tax rules that apply to the trade or business of fishing.

Also see Forms 1040 (Schedules C, C-EZ), 1099-MISC.

Pub. 598, *Tax on Unrelated Business Income of Exempt Organizations*, explains the unrelated business income tax provisions that apply to most tax exempt organizations that regularly operate a trade or business that has little or no relationship to its exempt purpose.

Also see Form 990-T.

PUBLICATIONS

Continued

Pub. 908, *Bankruptcy Tax Guide*, discusses the Federal income tax aspects of bankruptcy including tax return filing requirements for the individual and for the bankruptcy estate.

Also see Forms SS-4, 982, 1041, 1041-ES.

Pub. 910, *IRS Guide to Free Tax Services*, identifies the assistance and many services available from IRS and contains a listing of tax materials and free publications.

Pub. 925, *Passive Activity and At-Risk Rules*, discusses the passive activity and at-risk rules that may limit the deductible losses from a trade, business, rental, or other income-producing activity.

Also see Forms 4952, 6198, 8582, 8582-CR, 8810.

Pub. 939, *General Rule for Pensions and Annuities*, provides instructions and actuarial tables for figuring the tax-free portion of pension or annuity payments from nonqualified plans, certain qualified plans, and IRAs.

Also see Form 1099-R.

Pub. 946, *How to Depreciate Property*, explains how a taxpayer can recover the cost of business or income-producing property through deductions for depreciation.

Also see Form 4562.

Pub. 947, *Practice Before the IRS and Power of Attorney*, discusses who can represent a taxpayer before the IRS and what forms may be used to authorize a person to represent a taxpayer.

Also see Forms 2848, 8821.

Pub. 954, *Tax Incentives for Distressed Communities*, is a publication for business owners who want to find out if they qualify for certain tax incentives designed to help empowerment zones, enterprise communities, renewal communities, and other distressed communities.

Also see Forms 3800, 5884, 8844, 8845, 8850, 8860, 8861.

Pub. 966, *The Secure Way to Pay Your Federal Taxes*, is a thorough overview of EFTPS for both businesses and individuals. This publication is also available in Spanish (Pub 966SP).

Pub. 1244, *Employee's Daily Record of Tips and Report of Tips to Employer*, is a handy record that employees receiving tip income may use to document their daily tips and report them to their employer.

Also see Forms 1040, 4070, 4070A, 4137.

Pub. 1542, *Per Diem Rates (For Travel Within the Continental United States)*, is for employers who pay a per diem allowance to employees for business travel away from home. The publication gives the maximum per diem allowance an employer can use without treating part of the per diem allowance as wages for tax purposes.

Pub. 1544, *Reporting Cash Payments of Over \$10,000 (Received in a Trade or Business)*, explains the requirement to file Form 8300 by persons in a trade or business. Form 8300 must be filed when cash payments of more than \$10,000 are received from an individual. It also discusses the penalties for not filing the Form 8300.

Also see Form 8300.

Pub. 1546, *The Taxpayer Advocate Service of the IRS—How to Get Help with Unresolved Tax Problems*, describes the role of the Taxpayer Advocate Service, discusses who may use the Taxpayer Advocate Program, and provides information about contacting a Taxpayer Advocate.

Pub. 3066, *Have You Had Your Check-Up This Year?... for 401(k) Retirement Plans*, a tri-panel pamphlet designed to inform and encourage employers to perform a periodic “check-up” of their 401(k) retirement plan through the use of a checklist (Pub. 4531) and how to initiate corrective actions if necessary.

Pub. 3611, *E-File Electronic Payments Brochure*, provides a thorough guide to worry-free direct debit and credit card payment options.

Pub. 3959, *EFTPS CD for Tax Practitioners, Taxpayers, and Financial Institutions*, provides information for tax practitioners, taxpayers, and financial institutions on the flexibility and many uses of EFTPS.

Pub. 3998, *Choosing a Retirement Plan for Your Small Business*, provides an overview of retirement plans available to small business and features a handy chart that showcases key features and benefits of common retirement plans. It was designed and produced in conjunction with the U.S. Department of Labor, U.S. Small Business Administration, and U.S. Chamber of Commerce.

Also see Forms 5500, 5500-EZ, 5558.

Pub. 4048, *Penalty Refund Offer*, a 6-panel brochure used to encourage taxpayers to enroll in the EFTPS Program, where they can receive a special refund and avoid future penalties.

Pub. 4118, *Lots of Benefits—Retirement Plans Life Cycle*, is an introductory brochure that highlights the benefits of retirement plans to both businesses and employees. It also discusses the four “phases” in the life cycle of a retirement plan.

Pub. 4131, *EFTPS and e-file Fact Sheet*, is used to advise taxpayers of the benefits of filing and paying electronically.

Pub. 4132, *EFTPS Online Fact Sheet*, is used by field employees to educate and promote the use of EFTPS Online and other payment options to taxpayers, practitioners, and financial institutions.

Pub. 4169, *EFTPS Tax Professional Guide*, a tool to educate tax professionals on the benefits and use of the EFTPS when making electronic tax payments for their business and individual customers.

Pub. 4222, *401(K) Plans for Small Business*, highlights the advantages of 401(K) plans and important issues to consider when establishing and operating these plans. It was designed and produced in conjunction with the U.S. Department of Labor.

Also see Forms 5500, 5500-EZ, 5558.

Pub. 4224, *Retirement Plan Correction Programs Pamphlet*, is a tri-panel pamphlet describing the retirement plan correction programs offered by the IRS, U.S. Department of Labor, and Pension Benefit Guaranty Corporation.

Pub. 4284, *SIMPLE IRA Retirement Plan Checklist*, is a one-page checklist highlighting some of the basic requirements of a SIMPLE IRA Plan. The product is geared to the small business owner.

Also see Forms 5500, 5500-EZ, 5558.

Pub. 4285, *Simplified Employee Pension (SEP) Checklist*, is a one-page checklist highlighting some of the basic requirements of a SEP Plan. The product is geared to the small business owner.

Also see Forms 5500, 5500-EZ, 5558.

Pub. 4286, *Simplified Employee Pension Plan (SARSEP) Checklist*, is a one-page checklist highlighting some of the basic requirements of a SARSEP Plan. The product is geared to the small business owner.

Also see Forms 5500, 5500-EZ, 5558.

Pub. 4321, *EFTPS Tax Practitioner Folder*, educates tax professionals on the benefits and use of EFTPS. This folder includes the EFTPS enrollment forms, brochures, product catalog order card, and CD.

Pub. 4333, *SEP Retirement Plans for Small Businesses*, highlights the advantages of SEP plans and important issues to consider when establishing and operating these plans. It was designed and developed in conjunction with the U.S. Department of Labor.

Pub. 4334, *SIMPLE IRA Plans for Small Businesses*, highlights the advantages of SIMPLE IRA plans and important issues to consider when establishing and operating these plans. It was designed and developed in conjunction with the U.S. Department of Labor.

Pub. 4405, *Have You Had Your “Check-Up” This Year? ...for SIMPLE IRAs, SEPs, and Similar Retirement Plans*, is a tri-panel pamphlet designed to inform and encourage employers to perform a periodic “check-up” of their IRA-based retirement plan through the use of checklists (Pubs 4284, 4285 and 4286) and how to initiate corrective actions if necessary.

Pub. 4460, *The Retirement Plans Product Navigator*, highlights many of the publications and brochures created by the Employee Plans, Customer Education and Outreach Division of TE/GE and deals with IRA-based retirement plans. It is targeted to small business owners.

Pub. 4531, *401(k) Plan Checklist*, is a one-page checklist highlighting some of the basic requirements of a 401(k) Plan. The product is geared to the small business owner.

Also see Forms 5500, 5500-EZ, 5558.

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IRS Assistance via the Internet

The IRS Web site allows convenient access to information 24 hours a day, 7 days a week. The Web site provides everything from information about electronic filing and paying to tax forms (with instructions), publications, and important tax information for individuals and businesses. You can access the IRS Web site at www.irs.gov.

The Electronic Federal Tax Payment System (EFTPS)

EFTPS is the most secure, accurate, and easy to use method to pay all federal taxes – including estimated taxes and installment payments and replacing paper with Federal Tax Deposit (FTD) coupons and vouchers. The Department of Treasury provides all materials and software for EFTPS free of charge. EFTPS also offers taxpayers flexible payment options either online or by phone. Taxpayers can make their payments day or night – 7 days a week, 24 hours a day. EFTPS also allows you to schedule tax payments up to 120 days in advance for businesses or 365 days in advance for individuals. Sixteen months of payment history can be viewed online and with each transaction an EFTPS Acknowledgement Number is provided as a receipt. To enroll or receive additional information, visit www.eftps.gov or call EFTPS Customer Service at 800-555-4477.

TeleTax

TeleTax (800-829-4477) is the IRS toll-free telephone service that provides recorded tax information and automated refund information. About 150 recorded topics provide basic tax information. For the directory of topics, listen to topic 123. This Touch-Tone service

is available 24 hours a day, 7 days a week. It's also available in Spanish.

Tax Forms and Publications

To order IRS tax forms and publications, call 800-829-3676.

Tax Assistance

Individual taxpayers can call 800-829-1040, Monday through Friday, from 8:00 a.m. until 8:00 p.m. local time. Business taxpayers can call the Business and Specialty Tax Line at 800-829-4933.



2008 | IRS TAX CALENDAR

For Small Businesses and Self-Employed

JANUARY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

MARCH

S	M	T	W	T	F	S
						1
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

APRIL

S	M	T	W	T	F	S
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MAY

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JUNE

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29	30					

JULY

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AUGUST

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SEPTEMBER

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OCTOBER

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NOVEMBER

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DECEMBER

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21	22	23	24	25	26	27
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