

# Leif Jensen and Associates

Newsletter

August, 2013

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## August Fun Facts

The first federal income tax was levied, 1861.

The Persian Gulf War began, 1990.

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## Dates to Remember

- Extended Not-For-Profits Due

Dear Reader,

As CPA's we are committed to providing a full range of high quality professional services including: accounting, bookkeeping, consulting, payroll, management advisory services, income tax preparation, auditing and other attestation services. Our goal is to meet our client's expectations as their most trusted advisor.

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## Illinois and Taxes

At our last Chapter meeting of the ICPAS we had a whopping two legislatives at our meeting. It is amusing that we had two showed up, our Chapter covers a wide area and I believe that 15 - 20 were invited and only two showed up. Obviously CPA's are not an important constituency. But we did have an actual Democrat and Republican show up.

When we got to the topic of pensions things actually got lively. The discussion became very interactive. Some of the proposals included:

- \* have the pensions be subject to state income tax;
- \* looking at the elimination of the 3% annual increase across the board
- \* look at the amount of government
- \* just increase taxes
- \* eliminate the corporate loopholes (this was from someone not at the meeting)

We obviously got nowhere but those currently collecting public pensions do not want to be taxed or have any changes to their payouts. Those paying taxes do not want to have any tax increases and want to see the reduction back to the 3% level of income taxes.

It will be interesting to see if those in Springfield actual do what we pay them to do in the near future. But hopes do not run high for results in Madiganland.

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## This Month's Featured Service

### Incorporation Services

We can facilitate the incorporation process for your future entity. We will help you decide on the best entity structure, handle all of the forms for the incorporation process, acquire on FEIN, process the S-Corp election and register the company with the state.

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## The Jobless Recovery

I recently read an OPED piece in the WSJ regarding the jobless recovery. Zuckerman's position was that this is not a real recovery and I have to agree with his points.

As I have written in the past the official unemployment rate is the U-3 report and not the U-6 report. The U-6 does count those who fell off the U-3 report. It also includes the under employed, those who have multiple part time jobs instead of full time employment.

The June 2013 U-6 rate 14.3%; while the official rate is 7.6% roughly half of that.

To break this down into people, according to the article there is an estimated 22 million Americans who are unemployed or underemployed.

I know of some people who have been recently let go, one had a project position in another state and both are concerned that their search will be long and hard. Both are over 50 and regardless of what the administration and media are saying. I believe those over 50 are having a more difficult time finding full time work.

## Convicted Felons and the Work Place

Apparently "there is no Federal law that clearly prohibits an employer from asking about arrest and conviction records," the EEOC says in an explainer on criminal background checks. "However, using such records as an absolute measure to prevent an individual from being hired could limit the employment opportunities of some protected groups and thus cannot be used in this way." Unfortunately the details are not as clear as they should be. But then again this is written by lawyers for lawyer to get work through lawsuits.

It is suggested that instead of blanket rejections of all applicants with criminal histories, companies should give an applicant "the opportunity to explain the circumstances of the arrest(s) and should make a reasonable effort to determine whether the explanation is reliable." Employers should then decide whether the person can be trusted to do the job, the Commission says. I am thinking of a FOI request of felons on the EEOC payroll is in order.

Here's how the EEOC explains it in its Q&A on criminal history checks:

Even where employers apply criminal record exclusions uniformly, the exclusions may still operate to disproportionately and unjustifiably exclude people of a particular race or national origin ("disparate impact discrimination") If the employer does not show that such an exclusion is "job related and consistent with business necessity" for the position in question, the exclusion is unlawful under Title VII.

Is it a wonder why networking is the way to find a job now a days? Everyone is concerned about frivolous lawsuits and this keeps the job applicant pool small and tight.

## Featured Client

### Forest Awards & Engraving



Forest Awards & Engraving was established in 1975. We provide businesses and organizations of all sizes with an extensive selection of quality awards and recognition products. Most of our engraving, lasering and color imprinting is done in our facility. Our products include name badges, plaques, acrylic awards, gifts, trophies, desk plates, electrical plates, pens, magnets, bags, mugs, water bottles and much more. Forest Awards primary goal is to provide superior quality awards, a friendly, creative staff, prompt service and customer satisfaction.

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