

# J Leif Jensen and Associates

Newsletter

February, 2015

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### Useless Information:

The first penny had the motto  
"Mind your own business."

The name for the space between  
your eyebrows is "nasion."

## Quick Links

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### 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.

If you need help preparing your 2014 taxes, please call our office to schedule an appointment.

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## Tax Reform

A tremendous amount of thought and energy is going into a potential way to revamp the corporate tax system. Without subsequent changes to the individual taxes rates, is causing alarm with many experts.

It is believed that the corporate tax reform needs to be paired with an overhaul on the individual side. If just corporate rates were trimmed, along with offsetting reductions in business tax credits and write-offs, sole proprietors and owners of S-Corps, LLCs and partnerships would be taxed at a severe disadvantage.

These businesses are essentially flow through entities that are taxes on the personal returns, so they pay tax at individual rates on their net profits, so their taxable income would rise because the write-offs would be cut. So there would be no drop in their tax rates.

Initial thoughts have a plan would apply a special tax rate to business income of individuals, much like the special maximum tax rates for dividends and long-term capital gains.

All that we can do is wait and see what comes out of Congress. After that the President needs to sign before we have anything to be concerned about.

## Dates to Remember

- Valentine's Day
- Presidents Day
- W-3, W-2's, 1096 and 1099's Due to Government

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## This Month's Featured Service

### Bookkeeping

We can facilitate your invoicing, record deposits, bill preparation, check writing and bank reconciliations. We will have your accounts receivable, accounts payable and cash balances immediately available.

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## Better Late Than Never is Not a Good Idea

S corporations that file late returns face a stiff fine of \$195 for each month late, up to a maximum of 12 months, multiplied by the number of shareholders in the firm.

So where a one-owner S company lacked reasonable cause for filing 11 months late, the Tax Court upheld the \$2,145 levy.

## Our Government Almost At Work

It has been expressed in the news that the filing season in 2015 for your 2014 taxes will be one of the most trying in years; according to the IRS Commissioner.

The IRS will be understaffed and will not be available to all, for assistance if answering questions to file the required forms by the deadline of April 15, 2015. If the calls get answered they will only answer basic questions. Not complex issues that would most likely cause someone to call the IRS and wait the hour on hold to get an answer.

Working with a client recently, we were on hold for an hour before we were able to talk to someone who put us into another queue for the non-streamlined department for another hour on hold.

This year is also the first year for the required reporting of health care coverage. This is an area that has a lot on reporting requirement ambiguity. This will add an all new level of complexity to every tax return filed. This includes those for children as well.

We have already picked up a few new clients who recognize that buying the box and putting faith in their own interpretation of the instructions may not be in their best interests. If this makes sense for your situation, call for an appointment so we may be able to assist.

-Leif Jensen

## Featured Client



### **Interim Executives**

Abacus Business Leaders are hands-on Interim Executives. We perform in Interim Executive Management roles such as Interim CEO, Interim CFO, Interim COO or Project Leader. We work inside the client business on a part-time or full-time basis and provide management consulting.

Beginning with our 7-Step **PREPARE<sup>SM</sup>** Assessment, we focus on **significantly improving profits** of the client company within the shortest timeframe possible.

### **Family Business Consultants**

Abacus Business Leaders are family business advisors. Family business consulting provides the outside perspective that helps Chicago area businesses **PREPARE<sup>SM</sup>** to unlock their real value.

### **M&A Advisors**

Abacus Business Leaders **PREPARE<sup>SM</sup>** Chicago area business owners and their companies for merger and acquisition (M&A). Selling a business or finding a business acquisition is best facilitated with an M&A Advisor.

### **Business Brokers**

Abacus Business Leaders are licensed business brokers in the Chicago area. If you are thinking of selling your business or buying a business, we can help. Selling a business requires that the owner **PREPARE<sup>SM</sup>** themselves and their company for exit. Learn how to sell your business and cash out for more. Or, find the right business to buy.

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