

Leif Jensen and Associates

Newsletter

July, 2012

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July was named after the Roman Emperour Julius Ceaser. Previously it was called Quintillis in Latin, meaning fifth in the Roman ten month year.

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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.

Leif Jensen
Elk Grove Village, Illinois
ljensen@leifjensenassoc.com
847-690-9454

2013 Social Security Taxes to Rise

It has been official for a while now. The Social Security wage base is planned to increase from the current level of \$110,000 to \$113,700 in 2013.

Again, social security taxes are collected on wages up to this maximum - once wages exceed the maximum no further taxes are imposed. Normally, those wages are subject to OASDI (social security - formerly known as old age, survivors, and disability insurance) taxes of 6.2% imposed on the employer and the same percent imposed on the employee. However, in 2011 and again in 2012 the rate on employees was cut to 4.2%. Self-employed persons pay 12.4% (10.4% in 2012). Congress has made no move as of yet for any changes to extend for 2013.

Business owners and high income earners can expect a whack in 2013 - an increase in the wage base (that is, more wages subject to tax) and a return to normal OASDI rates a 2% tax increase; the probable expiration of the Bush tax cuts and the Medicare surtax. To discuss the effects on your personal situation let us know how we may assist, beyond paying your tax bill for you.

Dates to Remember

- Second Quarter 941's Due
- Second Quarter IDERS Reporting Due

This Month's Featured Service

Registered Agent

We can become your registered agent of your business entity. We then become the legal addressee of all official documents and keep track of filing, notification and publishing requirements of business entities; including filing of annual reports for state agencies.

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The Medicare Surtax is Coming for the Wealthy!

The dawn of 2013 brings forth interesting tidings. The Medicare surtax is an additional tax that will be hitting taxpayers who make (single) over \$200,000 or (married) over \$250,000 with a 0.9% penalty. So married couples, who expect their combined wages to exceed \$250,000 may consider changing their W-4 forms to request that additional tax be withheld in 2013 or submit estimated payments.

For the employers the IRS plans on adding an additional line will be added to the 941. For the employees, the penalty will not be broken out on the W-2; this would cause you to question this purpose and validity.

But if not paid through the withholding process the assessment will be calculated for the 1040 tax liability; and there is as always the possibility of under payment penalties.

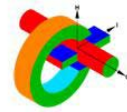
For more information or concerns for tax planning call the office to schedule an appointment.

Portable State Tax Exemptions

The IRS has finally issued guidance for handling the portable estate tax exemptions. After the passing of the first spouse, the surviving spouse can absorb any unused exemptions allowing for larger tax free lifetime gifts or bequeath additional assets free of estate taxes. These estates electing to take the portability of the unused exemptions are required to file Form 706. This in accordance with the new IRS regulations; even if the estate is valued at less than \$5 million for 2011 and \$5.12 million in 2012. The Forms 706 need to be filed timely.

The Service in an attempt to ease the burden, will allow executors of nontaxable estates to estimate the value of assets shown on the return. Form 706 and its instructions are to be revised shortly to provide ranges of dollar values that executors may use.

Featured Client



cmi novacast inc.

CMI Novacast Inc. is a privately held company founded in 1972 as Cast Metals International by Paul R. Gouwens. At that time, it was a consulting firm endeavoring to introduce new technologies to the United States from foreign countries. One of the companies introduced was GAAA of Lyon, France. GAAA was in the business of producing electromagnetic pumps for metering of molten metal.

Today CMI Novacast manufactures electromagnetic pumps and flow meters for liquid metal. This technology is suitable for many metals at temperatures up to 1472° F/800° C. Utilizing no moving parts, the pumps and flow meters create no turbulence. Originally developed for the aluminum foundry industry, CMI Novacast pumps have grown to fulfill the needs of many other metals. CMI Novacast has built pumps for aluminum, zinc, sodium, mercury, potassium, NaK, and magnesium. The pump flow rates are very controllable with instantaneous changes. The pump is computer controlled with the ability to store and recall many different profiles.

CMI Novacast's commitment to all customers is to deliver the most reliable, predictable, and high-performance low pressure or gravity casting system in the industry. CMI Novacast is a proud member of the American Foundry Industry and the Non-Ferrous Founders' Society.

500 E. Touhy Ave., Unit B
Des Plaines IL 60018

TOLL FREE (877) 699-9023
Phone (847) 699-9020
Fax (847) 699-9023
E-mail sales@cminovacast.com
Web site <http://www.cminovacast.com>