

# IRS NEWS FOR BUSINESS

## May 2016

### ► UPCOMING WEBINARS

See [Webinars for Small Businesses](#) for upcoming National and Local Webinars.

### ► NEWS

#### [“Tax Design Challenge” Begins Soon; Public Invited to Imagine the Taxpayer Experience of the Future](#)

- The IRS announced the upcoming start of its first Tax Design Challenge crowdsourcing competition to encourage innovative ideas for the taxpayer experience of the future.
- The effort is a crowdsourcing competition open to the public. The competition will engage teams of designers, developers, and innovative thinkers across the U.S. to envision options for taxpayer interactions.
- Submissions will be accepted from **April 17 through May 10, 2016**. Participants must first register on the website <https://www.challenge.gov/challenge/tax-design-challenge/>

#### [IRS2Go is the official mobile app of the IRS](#)

- Check your refund status, make a payment, find free tax preparation assistance, sign up for helpful tax tips, and more!
- IRS2Go is available in both English and Spanish.

#### [Can't Pay Taxes on Time? Here Are Five Tips](#)

- Here's what to do if you can't pay all your taxes by the due date.
  - File on time and pay as much as you can
  - Get a loan or use a credit card to pay your tax
  - Use the Online Payment Agreement tool
  - Don't ignore a tax bill.
  - File to reconcile Advance Payments of the Premium Tax Credit

#### [Pay with Cash at a Retail Partner](#)

The quickest, easiest way to make a tax payment is [online](#). If you prefer to pay in cash, the IRS offers a way for you to pay your taxes at a participating retail store.

#### [Tax Refund Offsets Pay Unpaid Debts](#)

Past due debts like taxes owed can reduce your federal tax refund. The Treasury Offset Program can use all or part of your federal refund to settle certain unpaid federal or state debts, to include unpaid individual shared responsibility payments.

#### [Interest Rates for the Second Quarter of 2016](#)

- Interest rates have increased for the calendar quarter beginning April 1, 2016. The rates will be:
  - 4% for overpayments [3% in the case of a corporation]
  - 4% for underpayments
  - 1.5% for the portion of a corporate overpayment exceeding \$10,000
  - 6% for large corporate underpayments

#### [Five Tax Tips on Estimated Tax Payments](#)

You usually will have taxes withheld from your pay if you are an employee. However, if you don't have [taxes withheld](#), or you don't have enough tax withheld, you may need to make estimated tax payments. If you are [self-employed](#) you normally have to pay your taxes this way. Learn five tips about making estimated tax payments.

### [Five Things You Should Know about the AMT](#)

- You may not know about the Alternative Minimum Tax because you've never had to pay it before. However, your income may have changed and you may have to pay it this year.
- The AMT is an income tax imposed at nearly a flat rate on an adjusted amount of taxable income above a certain threshold. If you have a higher income, you may be subject to the AMT.
- Use the [AMT Assistant tool](#) on [IRS.gov](#) to find out if you need to pay the tax.

### ► **AFFORDABLE CARE ACT**

#### [Affordable Care Act and the International Taxpayer](#)

- If you are a U.S. citizen or resident alien living abroad, or a foreign person living in the U.S., you may be affected by the Affordable Care Act.
- Click on the article above for FAQs that may be of interest to the international individual taxpayer.

#### [Healthcare.gov: Find health coverage exemptions that apply to you](#)

- Most people who don't have qualifying health coverage must either pay a fee or qualify for an "exemption."
- Health coverage exemptions are available for a variety of reasons: certain life events, health coverage or financial status, group membership, and more.
- Answer a few questions and we'll show you:
  - Exemptions that may apply to you
  - Details to help you see if you qualify
  - Step-by-step instructions to apply, including links to forms you need

#### [Understanding Your Letter 0012C: Requesting information to reconcile Advance Payments of the Premium Tax Credit](#)

- We are sending you this letter because:
  - The Health Insurance Marketplace notified us that they made advance payments of the premium tax credit to your or your family's health insurance company to reduce your premium costs in 2015 and
  - You didn't include the Form 8962, Premium Tax Credit, to reconcile the advance payments that were paid on your behalf when you filed your individual 2015 tax return.

### ► **ACA for Small Employers**

#### [Employers: Have fewer than 50 Employees? Here's how ACA Affects You](#)

### ► **ACA for Applicable Large Employers**

#### [Determining if an Employer is an Applicable Large Employer](#)

#### [Healthcare.gov: The SHOP FTE Calculator](#)

This tool helps you know if your mix of full-time and part-time employees equals less than 50 full-time equivalent employees (FTEs).

### ► **TAXES. SECURITY. TOGETHER. (Identity Theft)**

[Form 14039](#) has been revised. The new revision date is April 2016.

#### [Consumer Alert: Scammers Change Tactics, Once Again](#)

- Aggressive and threatening phone calls by criminals impersonating IRS agents remain a major threat to taxpayers, but now the IRS is receiving new reports of scammers calling

- under the guise of verifying tax return information over the phone.
- The latest variation being seen in the last few weeks tries to play off the current tax season.
  - Scam artists call saying they have your tax return, and they just need to verify a few details to process your return.
  - The scam tries to get you to give up personal information such as a Social Security number or personal financial information, such as bank numbers or credit cards.

### [IRS's Top 10 Identity Theft Prosecutions: Criminal Investigation Continues Efforts to Halt Refund Fraud](#)

As part of the continued crackdown on refund fraud and identity theft, the Internal Revenue Service released the Top 10 Identity Theft Prosecutions for Fiscal Year 2015. These prosecutions are part of the wide-ranging strategy to combat refund fraud and assist taxpayers through detection, prevention and resolving identity theft cases in a timely manner.

See all "IRS Security Awareness Tax Tips" [here](#).

## ► EMPLOYERS

### [SSA/IRS Reporter – Spring 2016](#)

The SSA/IRS Reporter is a quarterly, online-only publication for businesses, payroll professionals and others who deal with payroll taxes and employee issues.

### [Work Opportunity Tax Credit and the PATH Act](#)

- The Protecting Americans from Tax Hikes Act of 2015 (the PATH Act) retroactively allows eligible employers to claim the Work Opportunity Tax Credit for all targeted group employee categories that were in effect prior to the enactment of the PATH Act, if the individual began or begins work for the employer after December 31, 2014 and before January 1, 2020.
- For tax-exempt employers, the PATH Act retroactively allows them to claim the WOTC for qualified veterans who begin work for the employer after December 31, 2014 and before January 1, 2020.
- The PATH Act also added a new targeted group category to include qualified long-term unemployment recipients.
- See [Notice 2016-22](#) for more details.

## ► NEWS FROM OTHER AGENCIES

### [Can or Should an IRA Own Your Business?](#)

- The basic idea is for the IRA to own the business and you own the IRA, so you indirectly continue to own your business.
- Some do this because the arrangement offers financing for the business. Some do this because of anticipated tax advantages.
- The IRS may challenge the arrangement and, if the IRS challenge is successful, there are very unfavorable tax consequences for the owner.
- Entrepreneurs desperate for financing may seek risky arrangements. The biggest winners in these arrangements are the promoters who convince taxpayers to go along and charge them hefty fees. In some instances, taxpayers who carefully follow tax rules can avoid adverse results, but this requires great care. It's usually much better to use other forms of financing and keep retirement funds free of tax penalties and safe for the future.

### [How to Name Your Business: 10 Things You Need to Know](#)

- Picking a killer name for your business is harder than it might seem.
- One of the things to think about when choosing a company name is how it will look in the subject line of an email, according to cloud-based analytics company DataHero.
- Then there's how it will sound when it's said aloud.
- A number of leading companies in recent history have chosen names with between five

- and 10 letters and at least one hard consonant: Google, Starbucks, Verizon.
- Before naming your company, check out these tips from entrepreneurs who have been through the process, some of whom have even named the same company more than once.

## ► IN EVERY ISSUE

### See the latest:

- [Tax Tips](#)
- [Health Care Tax Tips](#)
- [Fact Sheets](#)
- [Headliners](#)
- [News releases](#)
- Announcements, Notices, Revenue Rulings, Revenue Procedures, Treasury Decisions, and Treasury Regulations are in the [Internal Revenue Bulletin \(IRB\)](#)
- [Tax Statistics](#)
- Find the latest IRS news via [Social Media](#) options.

The [Issue Management Resolution System](#) helps solve issues with policies, practices and procedures. Tax professionals should forward significant issues regarding IRS policies, practices and procedures to their Stakeholder Liaison.

[Outreach Corner](#). Find it easy to spread the word about key income tax topics! This page offers electronic communication materials to use in reaching out to the people you serve. Get free news you can use each month, targeted by time of year to coincide with what your customers, employees, volunteers, etc. need to know about new tax law legislation, IRS events and other activities that affect them.

[Industries/Professions Tax Centers](#). Tax Centers contain links to topics such as tax tips, financial resources, trends and statistics, forms, and more.

### [Audit Techniques Guides \(ATGs\)](#)

Audit Techniques Guides (ATGs) help IRS examiners during audits by providing insight into issues and accounting methods unique to specific industries. While ATGs are designed to provide guidance for IRS employees, they're also useful to small business owners and tax professionals who prepare returns.