

# Client *NEWSLETTER*

July 2011



## MILEAGE RATES

2011  
(cents per mile)

Business	
January-June	51.0
July-December	55.5
Medical/Moving	
January-June	19.0
July-December	23.5
Charity	14.0

## IMPORTANT DATES

Extended Individual tax returns due:  
**October 17, 2011**

Individual federal/state estimated tax pay-  
ments due:  
**September 15, 2011**  
**January 17, 2012**

Extended Corporate tax returns due:  
**September 15, 2011**

Extended Partnership/estate/trust tax re-  
turns due:  
**September 19, 2011**

VT Homeowner Prebate / Renters' Re-  
bate Claims:  
**September 1, 2011**

## NEWS CLIPS

### Standard Mileage Rates

The standard mileage rates have been increased as of July 1, 2011. Business rates increased from 51 to 55.5 cents per mile. Medical and moving rates increased from 19 to 23.5 cents per mile.

### IRS App

The IRS now has its own app for iPhone and Android. With 'IRS2Go' you can check the status of your refund, get daily tax tips, and follow the IRS Twitter news feed. Best of all, the app is free!

### EFTPS Email Scam

The IRS has released information pertaining to an email phishing scam that uses the Electronic Federal Tax Payments System as its subject. The email states that an EFTPS payment has been rejected and prompts the recipient to complete a transaction report by clicking a link. Clicking the link will download malware used to steal financial information, which then can be used in identity theft.

Be advised that the IRS and EFTPS system never communicate through email. If you have received one of these emails there are steps that should be taken to report the fraud. Please contact our office or go to IRS.gov for more information.

### Tax Relief in Disaster Situations: Vermont and Massachusetts

The IRS has issued disaster relief guidelines for residents of certain Vermont counties (Addison, Chittenden, Essex, Franklin, Grand Isle, Lamoille, and Orleans) affected by severe storms and flooding and certain Massachusetts counties (Hampden and Worcester) affected by severe storms and tornadoes.

(continued on page 2)

*(News Clips, continued)*

Relief includes the extension of time to make payments (such as the second quarter estimated tax payment, which was due June 15<sup>th</sup>) to a deadline of June 30<sup>th</sup>. If affected individuals receive notices for late filing or late payment penalties, they should contact our office or call the phone number on the notice to receive an abatement of the penalty.

Also included in the relief is a provision allowing affected individuals to claim casualty losses not covered by insurance on their original or amended 2010 tax returns.



## AFFORDABLE CARE ACT

### \*\* UPDATE \*\*

Effective January 1, 2011, Flexible Spending Arrangements (FSAs) may no longer be used to purchase over-the-counter nonprescription medications, except insulin. The same is true for Health Savings Accounts (HSAs) and Archer Medical Savings Accounts (Archer MSAs). Be sure to have your physician write a prescription for all over-the-counter medications and retain it in your tax files.

Tax-free health care has been expanded to cover employees' children up to the age of 27. This applies to cafeteria plan and self-employed health insurance.

The requirement for employers to report health care coverage on employee W-2s is now optional for 2011 but required for 2012. For small employers issuing fewer than 250 W-2s, the option extends to 2012 but required for 2013.

Medicare Part D recipients who have reached their plan's coverage gap may be eligible for a one-time, non-taxable rebate of \$250. For more information, go to [www.medicare.gov](http://www.medicare.gov)



## STATE of VERMONT

### 2011 LEGISLATIVE HIGHLIGHTS

We have selected the highlights most relevant to our clients. A complete listing of highlights may be found at [www.state.vt.us/tax/index.shtml](http://www.state.vt.us/tax/index.shtml).

#### General

Lottery winnings may now be used by the Department to offset outstanding tax liabilities.

#### Payroll

Withholding reconciliation forms may not be amended after the due date, except for administrative errors that do not affect the amount of withholding tax reported.

#### Property Tax Adjustments

Beginning with 2012 claims, health insurance premiums paid by self-employed individuals may be used to reduce household income. 2012 claims are filed with 2011 tax returns. This reduction had been taken away for 2011 claims.