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MEMO – REMINDER

Dear Business Owner – A Complimentary Note about 2011 Year End Payroll & 1099's

All 4th quarter payroll reports (941, NYS-45 Combined Report) are due January 31, 2012
All year-end reports (W2, W3, 940, NYS-45) are due January 31, 2012.

W-4 is needed for employees who may request changes in withholding or for those for whom you do not currently have a W-4 on file. Additionally, Form I-9 is needed. For those forms go to www.irs.gov. This has been required for some time by the U.S. Department of Justice. Please have these forms signed and keep them on file for each employee. Do not send to IRS or NYS.

All **1099-MISC** (independent contractor) payments to individuals totaling **\$600** or more for the calendar year are due to recipients by **January 31, 2012**. If you want us to prepare these for you, please provide us with names, addresses, amounts paid and Social Security numbers on Form W-9 which the IRS requires to be completed by all independent contractors and kept on file by the prime contractor. (W-9 is available at www.irs.gov)

Note: The IRS, NYS Department of Tax and Finance and NYS Department of Labor have similar yet separate policies to determine if an individual is an independent contractor or an employee. To insure a claim as independent contractor status, all firms should have a Contract agreement, IRS Form W-9 and Insurance certificates for all subcontractors. W-9's are available at www.irs.gov Notwithstanding those forms, government agencies determine employee vs. independent contractor status based on rules such as control of time, location of work, tool and equipment ownership, method of determining pay (hours vs. contract) "dba" filings, business cards, advertising and proof of other contractual relationships.

Please call if you are unsure of your responsibilities. If you would like to have us assist you, we hope to hear from you **upon receipt** of this letter. We are available to complete your needs between January 1 and no later than **January 30th**. We thank you for your attention. Of course, if you are already aware of these requirements we commend you for your attention to these matters.

Sincerely,

W. Ralph Sommers, EA/Tax Practitioner