

## Top 10 Things Your Accountant Should Be Telling You

### 1. Effective ways to combat fraud

- Consequences of fraud are more costly than implementing controls.
- Effective fraud prevention tools include controls that provide a perception to employees that they could get caught.
- Low-cost controls can be implemented for accounting departments of one.

### 2. Alternative fuel vehicle refueling property credit and the credit for hiring qualified veterans

#### *Alternative fuel credit*

- Credit available for up to 30% of costs of qualified alternative fuel vehicle refueling property, \$30K limit per location.
- Expires at December 31, 2013.

#### *Hiring credit*

- Hiring credit available for qualified veterans varies from \$1,500 – \$9,600 per qualified employee.
- Employer must obtain certification.
- Set to expire after December 31, 2013.

### 3. Automatic gratuity and tip credit

- Tip credit available for employee reported tips.
- Beginning January 1, 2014 automatic gratuities classified as service charges.
- Automatic gratuities no longer eligible for the tip credit.

### 4. Proposed lease accounting standard

- Lessee recognizes assets and liabilities arising from a lease.
- Leverage and debt service ratios will be impacted.
- Discuss potential issues with financial statement users.

### 5. Unpaid internships

- Duties must be similar to training the intern would receive in an educational environment.
- Intern cannot be replacing a paid employee.
- Cannot be a guaranteed or implied job offer at the end of the internship.

## **6. Affordable Care Act requirements**

- Reporting health care benefits on Form W-2, initially effective for 2012 W-2's. Transitional relief available until IRS releases guidance.
- Information reporting of health coverage by employers, initially effective for 2013. Transitional relief available until January 1, 2015.
- Employer shared responsibility payment, initially effective for 2014. Transitional relief available for 2014.

## **7. Financial reporting framework for small and medium sized entities**

- New financial reporting framework designed for America's small business community.
- Simplified, consistent and cost-effective way to deliver financial statements.
- An option when GAAP is not needed.

## **8. State tax credits for investment in Enterprise Zones**

- Full exemption from local taxes for up to two years before property is placed in service.
- Property tax exemption may be available for up to 15 years.
- Approval must be requested prior to ground breaking.

## **9. 3.8% Medicare contribution tax**

- Effective January 1, 2013, additional tax on investment income.
- Materially participate in active trade or business – gains from sales of property used in business not subject to tax.
- Triple-net lease rental income not considered active trade or business.

## **10. The future of tax reform**

- Baucus & Camp leading the effort to reform taxes - there is no agreement on what to change/overhaul.
- Suggestions include a flat tax and eliminating deductions such as mortgage interest & charitable giving.
- Everything is stalled right now...