

THE SMALLBIZ BUILDER

Planning For Your Dreams



January 2017

PADGETT BUSINESS SERVICES®

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This Month:

- New Year's Resolutions for Small Business Owners
 - 1st Quarter 2017 Due Dates
- Attention Students: Form 1098-T is Required!

New Year's Resolutions for Small Business Owners

At Padgett Business Services, we're excited about the beginning of a new year and the sense of promise it brings. As a small business owner, it's an excellent idea to write down a solid list of business resolutions for the coming year. Here is a list of resolutions that entrepreneurs would be wise to make – and keep – throughout the new year.

Be Positive, Always – In every endeavor, assume success rather than failure. As simple as this sounds, it's a critical posture to take. As the leader of your enterprise, it's up to you to set a positive tone and example for your team. Establishing a company culture of optimism will help you weather the inevitable setbacks and discouragements along the way. Lastly, don't be afraid to let go of an employee that is bringing you and your company down.

Make it a Priority to Prioritize – Time is the most valuable resource to your business, so spend it wisely on the tasks most vital to your company's ongoing success. Whenever possible, automate what you can by taking advantage of technology!

Focus on Customers First – Keeping your customers foremost in mind will help you make the kinds of decisions that lead to success, positive change and future growth. It's also time to review your customer list and determine if fees need to be adjusted or perhaps a client needs to be fired.

Be Persistent, Tenacious and Committed – Successful entrepreneurs will tell you that these qualities often trump someone else's superior education, higher intelligence or better financing. Remember, a successful business is worth fighting for!

Recognize the Choices You Have – Identify your choices and actively strive to create more. Having a range of options to choose from can eliminate feelings of constraint that may lead to fear, discouragement or despair. Do your research on suppliers, vendors and customers so you understand your options.

Make Tough Choices When Necessary – As the leader of your company, making big decisions is what you do. Decisive leadership, as long as it comes from a position of respect and fairness, earns respect every time, both from within and outside your organization.

Seek Out Mentors – It's important to seek out the opinions, ideas and perspectives of others whose experiences are greater or different than your own. Don't overlook opportunities to help mentor others as well – you'll learn from those relationships, too. Building strong networks will pay off in the end.

Focusing your efforts on the things that are truly important to the success of your enterprise is easier when you have a trusted partner to assist you with handling the details. Contact us to help you reach your resolutions.

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1st Quarter 2017 Due Dates

January 16:

- ◇ *Individuals*: Fourth quarter 2016 estimated tax payments are due (final Installment).

January 31:

◇ *Employers*:

- Give your employees their copies of Form W-2 for 2016. File Form W-3 with Copy A of all Forms W-2, regardless of whether you file these forms by paper or electronically. The Social Security Administration encourages all employers to e-file. Don't e-file the same returns which were paper filed.
- File Form 941 for 4th quarter 2016, or annual Form 944. File Form 940 for 2016.
- File Form 1096 with Copy A of Forms 1099-MISC reporting non-employee compensation payments in Box 7 only.

- ◇ *Businesses*: Distribute Form 1099 to recipients for 2016.

February 28:

- ◇ *Employers who paper file*: File Form 1096 with Copy A of all Forms 1099, with the exception of any 1099-MISC reporting nonemployee compensation payments in Box 7. As a part of the reporting requirements under the Affordable Care Act, you may need to file Forms 1094-B, 1095-B, 1094-C, and 1095-C with the IRS. If you're unsure of your reporting requirements for these forms, please contact us.
- ◇ *Large food or beverage establishments who paper file*: File Form 8027 to report 2016 tip income, reported tips, and allocated tips.

March 2:

- ◇ *Employers*: As a part of the employer reporting requirements under the Affordable Care Act, you may need to give your employees copies of Form 1095-B (Health Insurance Coverage Statement) and/or Form 1095-C (Employee Statement) for 2016. If you're unsure of your reporting requirements for these forms, please contact us.

March 15:

- ◇ *Calendar-Year S Corporations*: 2016 Form 1120S due or file Form 7004 for an automatic six-month extension. Provide shareholders with copy of Schedule K-1.
- ◇ *Partnerships*: 2016 Form 1065 due or file Form 7004 for automatic six-month extension. Provide partners with copy of Schedule K-1.
- ◇ *C Corporations & LLCs*: File Form 2553 to choose to be treated as an S corporations beginning on Jan. 1, 2017.

March 31:

- ◇ *Employers who e-file*: E-file Form 1096 with Copy A of all Forms 1099, with the exception of any 1099-MISC reporting nonemployee compensation payments in Box 7. As a part of the employer reporting requirements under the Affordable Care Act, you may need to e-file 2016 Forms 1094-B, 1095-B, 1094-C, and 1095-C. If you're unsure of your reporting requirements for these forms, please contact us.
- ◇ *Large food/beverage establishments who e-file*: E-file Form 8027 to report 2016 tip income, reported tips, and allocated tips.

Attention Students: Form 1098-T is Required!

According to the Internal Revenue Service, schools must provide Form 1098-T to any student who paid "qualified educational expenses" in the preceding tax year. Qualified expenses include tuition, any fees that are required for enrollment, and course materials the student was required to buy from the school. Schools must send the form to the student by January 31st and file a copy with the IRS by February 28th. In the past, the IRS allowed students to take a deduction for qualified tuition expenses or claim a higher education credit (American Opportunity Tax Credit, Hope Credit, or Lifetime Learning Credit), even when the school failed to prepare the Form 1098-T. For 2016, this is no longer the case! As a result of the 2015 Trade Preferences Extension Act, students MUST have a properly completed Form 1098-T from the school to claim a deduction or credit. Be on the lookout for this form in the mail, so you don't miss out on this tax saving opportunity! And remember to bring it to us when you meet to discuss your taxes for 2016.

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PADGETT BUSINESS SERVICES® is dedicated to meeting the compliance, profit & financial government reporting and payroll needs of businesses with fewer than 20 employees in the retail and service sector of the economy. This publication suggests general business concepts that may be appropriate in certain situations. It is designed to provide complete and accurate information to the reader. However, because of the complexities of the tax law and the necessity of determining whether the material discussed herein is appropriate to your business, it is important you seek advice from your Padgett office before implementing any of the concepts suggested in this newsletter. **Planning For Your Dreams**