

## Important Tax Dates & Information



Form W-2, Form 1099 and other tax information forms are required to be mailed by January 31. If you do not receive the forms by February 14, let your tax professional know.

The IRS will not begin accepting e-filed individual tax returns until January 31.

The IRS expects to issue refunds to taxpayers within 21 days from the date an e-filed tax return is accepted.

Beginning January 1, 2014, the standard mileage rates for the use of a vehicle will be:

- 56 cents per mile driven for business purposes
- 23.5 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

## Tips on Tips



While tipping is not mandatory in most of the U.S., it is often expected in many circumstances when services are provided. The tip income from services—whether cash or included in a charge—is taxable income. As taxable income, these tips are

subject to federal income, social security and Medicare taxes, and may be subject to state income tax as well.

If you received \$20 or more in tips in any one month, you should report all your tips to your employer; however, all tips are taxable income and should be reported on your tax return. Also, you should maintain records of your tip income. The IRS provides Publication 1244, *Employee's Daily Record of Tips and Report to Employer*, for an audit-proof record.

Beginning January 1, 2014, the IRS defines tips as follows:

1. The gratuity must be made free from compulsion;
2. The customer must have the unrestricted right to determine the amount;
3. The gratuity should not be the subject of negotiation or dictated by employer policy; and
4. Generally, the customer has the right to determine who receives the gratuity.

From now on, the IRS will treat automatic gratuities on restaurant bills as wages and not tips. Automatic gratuities are often placed on bills of large parties to prevent under-tipping. The IRS views this as the latest step in the effort to prevent underreporting of tip income.

## Did You Know?

More than 122 million federal tax returns were e-filed during 2013.

## Quote Corner

The only thing that hurts more than paying an income tax is not having to pay an income tax.

~Thomas Dewar