

# IRS NEWS FOR BUSINESS

## June 2019

### ► UPCOMING WEBINARS

Check [Webinars for Small Businesses](#) for upcoming webinars.

May 30	Qualified Business Income Deduction (199A)
June 6	Foreign Earned Income Exclusion
June 13	U.S. Taxation of Employees of Foreign Governments & International Organizations
June 19	U.S. Territories - Self Employment Tax
June 27	Tax Residency Status

### ► IRS VIDEO PORTAL

The following IRS webinars are now archived and available for viewing in the IRS Video Portal:

Topic: [Understanding Tax Relief for Disasters](#)

Aired: Thursday, March 21, 2019

Topic: [Filing is The Thing to Do, Even if You Have a Balance Due](#)

Aired: Thursday, April 4, 2019

Note:

- The full transcript is provided as closed captioning
- The Power Point is posted for downloading under the “Slides PDF” link.

### ► NEWS

#### [Small Business Week](#)

- National Small Business Week was May 5 – 11. The IRS highlighted several resources to help small business owners and self-employed individuals understand and meet their tax obligations.

#### [IRS.gov has resources to help business owners understand taxes](#)

- National Small Business Week is a great time for business owners to check out the IRS's online resources and YouTube videos. Here are a few of the webpages and videos in the spotlight for this year's National Small Business Week, which ran from May 5 through 11.

#### [Here's how small businesses can connect with the IRS over social media](#)

- Whether they're looking for tax info during National Small Business Week or any other time of the year, business owners can connect with the IRS over social media. In fact, the IRS just launched its newest Twitter account created to offer information directly to small businesses. The Twitter handle @IRSsmallbiz joins several other IRS accounts that small business owners can visit on social media sites.

## [It's summertime... and these tips can help make livin' easy for teens with jobs](#)

- With summer almost here, many students will turn their attention to making money from a summer job. Whether it's flipping burgers or filing documents, the IRS wants student workers to know some facts about their summer jobs and taxes.
- Not all the money they earn will make it to their pocket because employers must withhold taxes from their paycheck. Here are some tax tips young individuals should know when starting a summer job.
- **See also: SBA article at the end of this newsletter.**

## [Taking care of business: recordkeeping for small businesses](#)

- Small business owners should keep good records. This applies to all businesses, whether they have a couple dozen employees or just a few. Whether they install software or make soft-serve. Whether they cut hair or cut lawns. Keeping good records is an important part of running a successful business.
- Here are some questions and answers to help business owners understand the ins and outs of good recordkeeping.
  - Why should business owners keep records?
  - What kinds of records should owners keep?
  - How long should businesses keep records?
  - How should businesses record transactions?
  - What is the burden of proof?
  - How long should businesses keep employment tax records?

## [Small businesses can benefit from deducting vehicle costs on their taxes](#)

- Businesses that use a car or other vehicle may be able to deduct the expense of operating that vehicle on their taxes. Businesses generally can use one of the two methods to figure their deductible vehicle expenses:
  - Standard mileage rate
  - Actual car expenses

## [IRS revises EIN application process; seeks to enhance security](#)

- As part of its ongoing security review, the IRS announced that starting May 13 only individuals with tax identification numbers may request an Employer Identification Number (EIN) as the "responsible party" on the application.
- The change will prohibit entities from using their own EINs to obtain additional EINs. The requirement will apply to both the paper Form SS-4, Application for Employer Identification Number (PDF), and online EIN application.

## **Rules relating to S corporations, shareholders and corporate officers:**

- [S Corporations](#)
- [Late Election Relief](#)
- [S Corporation Stock and Debt Basis](#)
- [S Corporation Employees, Shareholders and Corporate Officers](#)
- [S Corporation Compensation and Medical Insurance Issues](#)

### Some taxpayers may need to amend their tax return

- Taxpayers who discover an error after filing may need to amend their tax return. Taxpayers should file an amended return if there's a change in filing status, income, deductions or credits.
- The IRS may correct mathematical or clerical errors on a return. They also may accept returns without certain required forms or schedules. In these instances, there's no need to file an amended return.

### Taxpayer Advocate Tax Tip: Correcting tax returns, if you made a mistake or forgot to file

- If you make a mistake on your taxes, do you know what to do and how to correct the mistake? There are many options on how to fix a mistake on your tax return, depending on whether you received a notice and the kind of mistake you made. If you simply forgot to file, and have a filing requirement, you should file right away as there are consequences.

### It's not too late to check IRS payment options

- IRS offers taxpayers convenient, secure ways to pay their taxes throughout the year. Taxpayers can pay:
  - Online
  - By phone
  - With their mobile device using the IRS2Go app
- Additionally, some taxpayers must make quarterly estimated tax payments throughout the year. These taxpayers may include sole proprietors, partners, and S-corporation shareholders who expect to owe \$1,000 or more when they file. Individuals who participate in the [sharing economy](#) (aka gig economy) might also have to make estimated payments.

### IRS promotes disaster readiness and Hurricane Preparedness Week

- Disasters can happen at any time, and the IRS is encouraging taxpayers to be prepared for the unexpected.
- In the past 18 months, the IRS responded to presidentially declared disasters in 15 states and U.S. territories. The IRS offered tax relief and assistance to victims of hurricanes, typhoons, earthquakes, volcanos, fires, tornadoes, severe storms, high winds and floods.
- The 2019 hurricane season begins in June and the IRS joins the National Weather Service during [Hurricane Preparedness Week](#) by encouraging everyone to update or make an emergency plan.

### Disaster resources can help taxpayers weather the storm

- As summer approaches, so do storm and other natural disasters. Whether it's a hurricane, fire, flood or tornado, it's important for people to be prepared. One way to get ready is for taxpayers to know what to do about important documents and paperwork that might be lost after a disaster.

## ► EMPLOYERS AND BUSINESS OWNERS

### It pays for employers to file payroll taxes electronically

- Business owners who file payroll and employment taxes using paper forms should consider filing these electronically. Here are some of the forms employers can e-file.

## ► TAX REFORM

### [A comparison for mid- to large businesses and international taxpayers](#)

- The Tax Cuts and Jobs Act made significant changes that affect international and domestic businesses. This [side-by-side comparison for large and international taxpayers](#) can help taxpayers understand the changes and plan accordingly. This is a companion piece to the [comparison for businesses](#) released last fall.

## ► THE BEST OF IRS.GOV

### [Tax Scams/Consumer Alerts](#)

- Thousands of people have lost millions of dollars and their personal information to tax scams. Scammers use the regular mail, telephone, or email to set up individuals, businesses, payroll and tax professionals.
- The IRS doesn't initiate contact with taxpayers by email, text messages or social media channels to request personal or financial information. Recognize the telltale signs of a scam. See also: [How to know it's really the IRS calling or knocking on your door.](#)

## ► IDENTITY THEFT / DATA THEFT / SCAM ALERTS

### [Identity Protection: Prevention, Detection and Victim Assistance](#)

- Identity theft places a burden on its victims and presents a challenge to businesses, organizations and government agencies, including the IRS.
- The IRS combats tax-related identity theft with an aggressive strategy of prevention, detection and victim assistance. We're making progress against this crime, as it remains one of our highest priorities.
- Tax-related identity theft occurs when someone uses your Social Security number to file a tax return claiming a fraudulent refund. If you become a victim, we're committed to helping you resolve your case as quickly as possible.

## ► TAX EXEMPT ORGANIZATIONS

### [Exemption Requirements - 501\(c\)\(3\) Organizations](#)

- To be tax-exempt under section 501(c)(3) of the Internal Revenue Code, an organization must be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an action organization, i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates.

## ► SUBSCRIPTIONS

### [Subscribe to e-News for Small Businesses](#)

## ► NEWS FROM OTHER AGENCIES

From the SBA:

### Hiring Teens for the Summer

- In many industries, the summer season brings a sharp increase in teen employment. Unfortunately, for many business owners there remains a great deal of uncertainty about how federal child labor laws affect their teen workers. Brush up on the requirements and prevent child labor violations before they occur. Click [here](#) to learn more! And for more in-depth child labor information download your own copy of our [Child Labor Bulletin 101](#).