



TAX PAYMENT  
CALENDAR

FEBRUARY  
2013

<u>Date</u>	<u>Deposit Date</u>		<u>Completed</u>
<u>Payroll Date</u> Jan. 26 – 29 30 – Feb. 1 Feb. 2 – 5 6 – 8 9 – 12 13 – 15 16 – 19 20 – 22 23 – 26 27 – Mar. 1	Feb. 1 6 8 13 15 21 22 27 Mar. 1 6	Semi-Weekly Payroll Tax Deposits. Employers that are semi-weekly depositors generally must deposit taxes withheld and FICA taxes on payrolls paid on Wednesday, Thursday or Friday on or before the following Wednesday, and deposit taxes from payments on other days on or before the following Friday. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and first quarter.	
12		Michigan sales and use tax deposit for the month of January to claim early payment discount.	
14		Valentine's Day.	
15		Michigan Annual Report - Limited Liability Companies.	
15		Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during January. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and first quarter.	
15		Corporations with fiscal year ending February 28, May 31, August 31, or October 31: • Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit.	
 15		Corporations with fiscal year ending November 30: • Federal Income Tax Return - Form 1120 or 1120S. • Deposit balance of tax due electronically. Indicate Form 1120 and Balance Due on Return. • Pay accrued compensation, charitable contributions, retirement plan contributions, etc.	
15		Corporations with fiscal year ending January 31, April 30, July 31, or October 31: • Pay CIT estimate to State of Michigan.	
18		Presidents' Day.	
20		Michigan combined Sales, Use, Withholding and CIT Estimate Return for the month of January.	
20		Personal Property Tax Returns must be received by local assessor.	
28		Form 1096 – Annual Summary and Transmittal, accompanied by copy of Forms 1099 and/or Forms 1098.	
28		Michigan Annual Return for Sales, Use, and Withholding Taxes. Enclose state copy of Forms W-2 and 1099-MISC.	
28		Corporations with fiscal year ending October 31: • File CIT return and pay balance due to State of Michigan.	
28		Form W-3 - Transmittal of Income and Tax Statements, accompanied by copy of Forms W-2.	

JANUARY

SU	M	T	W	TH	F	SA
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY

SU	M	T	W	TH	F	SA
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

MARCH

SU	M	T	W	TH	F	SA
					1	2
3	4	5	6	7	8	9
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17	18	19	20	21	22	23
24	25	26	27	28	29	30



## **TAX CHANGES IN THE FISCAL CLIFF LEGISLATION**

The American Taxpayer Relief Act of 2012 (better known as the fiscal cliff legislation) became law on January 2, 2013. Here is a quick summary of the most important tax changes:

**Payroll Tax Holiday Is Dead.** For 2011 and 2012, the Social Security tax withholding rate on your salary was temporarily reduced by 2%, from the normal 6.2% to 4.2%. If you're self-employed, the Social Security tax component of the self-employment tax was reduced by 2%, from the normal 12.4% to 10.4%. The Act does not extend the holiday beyond 2012.

**Rates on Ordinary Income.** For most individuals, the federal income tax rates for 2013 will be the same as last year: 10%, 15%, 25%, 28%, 33%, and 35%. However, the Act increases the maximum rate to 39.6% for singles with taxable income above \$400,000 and married joint-filing couples above \$450,000. Higher-income folks may also get hit by the new 0.9% Medicare tax on wages and self-employment income and the new 3.8% Medicare tax on net investment income.

**Rates on Long-term Gains and Dividends.** The tax rates on long-term capital gains and dividends will also remain the same as last year for most individuals. However, the Act increases the maximum rate to 20% for singles with taxable income above \$400,000 and married joint-filing couples with taxable income above \$450,000.

**Personal Exemption and Itemized Deduction Phase-out.** The Act brings back the phase-out rule for both personal exemptions and itemized deductions. As a result, your personal exemptions can be reduced or even completely eliminated, and you can potentially lose up to 80% of your mortgage interest, state and local taxes, charitable contributions, and miscellaneous itemized deductions if your AGI exceeds \$250,000 for singles and \$300,000 for married joint-filing couples.

**Alternative Minimum Tax Patch Made Permanent.** It had become a tiresome annual ritual for Congress to "patch" the Alternative Minimum Tax (AMT) rules to prevent millions more households from getting socked with this add-on tax. The patch job consisted of allowing larger inflation-indexed AMT exemption amounts and allowing various personal tax credits to offset the AMT. The Act makes the patch permanent, starting with 2012.

**Tax Breaks for Education Expenses.** The American Opportunity Credit, which can be worth up to \$2,500 and can be claimed for up to four years of undergraduate education, was extended by the Act through 2017. The college tuition deduction, which can be as much as \$4,000 or \$2,000 for higher-income folks, was extended through 2013.

**Option to Deduct State and Local Sales Taxes.** Individuals who paid little or no state income taxes have had the option of instead claiming an itemized deduction for state and local sales taxes. This option was extended through 2013.

**\$250 Deduction for K-12 Educators' Expenses Extended.** The \$250 deduction for teachers and other K-12 educators for school-related expenses paid out of their own pockets was retroactively restored for 2012 and extended through 2013.

**Gift and Estate Tax Rules.** For 2013 and beyond, the Act permanently installs a unified federal estate and gift tax exemption of \$5 million—adjusted annually for inflation—and a 40% maximum tax rate (up from last year's 35% rate). The Act also makes permanent the right to leave your unused federal estate and gift tax exemption to your surviving spouse.

**50% Bonus Depreciation.** The Act extends 50% first-year bonus depreciation to cover qualifying new (not used) assets that are placed in service in calendar-year 2013. For a new passenger auto or light truck that is subject to the luxury auto depreciation limitations, the 50% bonus provision increases the maximum first-year depreciation deduction by \$8,000.

**Generous Section 179 Deduction Rules Extended.** For qualifying assets placed in service in tax years beginning in 2012 and 2013, the Act restores the maximum Section 179 deduction to \$500,000. The temporary rule that allowed up to \$250,000 of Section 179 deductions for qualifying real property placed in service in tax years beginning in 2010 and 2011 was retroactively restored for tax years beginning in 2012 and extended through tax years beginning in 2013.

**15-year Depreciation for Leasehold Improvements, Restaurant Property, and Retail Space Improvements Extended.** The Act retroactively restores the 15-year straight-line depreciation privilege for qualified leasehold improvements, qualified restaurant property, and qualified retail space improvements for property placed in service in 2012 and 2013.

**Research Credit Modified and Extended.** The Act modifies and retroactively restores the research credit for 2012 and extends it through 2013 to cover qualifying expenses paid or incurred in those years.