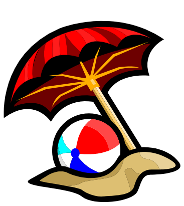
<table>
<tr><td>Date<br><br>Payroll Date<br>June 26 – 28<br>29 – 30<br>July 1 – 2<br>3 – 5<br>6 – 9<br>10 – 12<br>13 – 16<br>17 – 19<br>20 – 23<br>24 – 26<br>27 – 30<br>31 – Aug 2</td><td>Deposit Date<br>July 3<br>8<br>8<br>10<br>12<br>17<br>19<br>24<br>26<br>31<br>August 2<br>7</td><td>Semi-Weekly Payroll 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 third quarter (second quarter for June deposits due July 3 and 8).</td><td>Completed<br></td></tr>
<tr><td>4</td><td colspan="2">Independence Day.</td><td></td></tr>
<tr><td>7</td><td colspan="2">South Haven Summer Art Fair.</td><td></td></tr>
<tr><td>12</td><td colspan="2">Michigan sales and use tax deposit for month and quarter ended June 30 to claim early payment discount.</td><td></td></tr>
<tr><td>15</td><td colspan="2">Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during June. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and second quarter.</td><td></td></tr>
<tr><td>15</td><td colspan="2">Corporations with fiscal year ending July 31, October 31, January 31, or March 31:<br>★ Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit.</td><td></td></tr>
<tr><td>15</td><td colspan="2">Corporations with fiscal year ending April 30:<br>★ Federal Income Tax Return – Form 1120 or 1120-S.<br>★ Deposit balance of tax due electronically. Indicate Form 1120 and Balance Due on Return.<br>★ Pay accrued compensation, charitable contributions, retirement plan contributions, etc.</td><td></td></tr>
<tr><td>15</td><td colspan="2">Corporations with fiscal year ending September 30, December 31, March 31, or June 30:<br>★ Pay CIT estimate to State of Michigan.</td><td></td></tr>
<tr><td>22</td><td colspan="2">Michigan combined Sales, Use, Withholding and CIT Estimate Return for the quarter and month ended June 30.</td><td></td></tr>
<tr><td>25</td><td colspan="2">State Employer's Quarterly Wage/Tax Report (Form UIA-1028). Pay to State of Michigan-Unemployment Agency.</td><td></td></tr>
<tr><td>26 – Aug 4</td><td colspan="2">Grand Haven Coast Guard Festival.</td><td></td></tr>
<tr><td>31</td><td colspan="2">Quarterly payroll reports and deposits:<br>★ Form 941 – Employer's Quarterly Federal Tax Return – deposit balance due electronically. Indicate Form 941, Balance Due on Return, and second quarter.<br>★ Federal Unemployment Compensation tax deposit for second quarter if cumulative undeposited tax liability exceeds $ 500 – deposit electronically. Indicate Form 940 and second quarter.</td><td></td></tr>
<tr><td>31</td><td colspan="2">Corporations with fiscal year ending March 31:<br>★ File CIT return and pay balance due to State of Michigan.</td><td></td></tr>
</table>



JUNE

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| 30 | | | | | | |

**JULY**

| **SU** | **M** | **T** | **W** | **TH** | **F** | **SA** |
|---|---|---|---|---|---|---|
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| **14** | **15** | **16** | **17** | **18** | **19** | **20** |
| **21** | **22** | **23** | **24** | **25** | **26** | **27** |
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AUGUST

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| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

**JULY 2013**

## MIDYEAR TAX PLANNING

For most individuals, the ordinary federal income tax rates for 2013 will be the same as last year: 10%, 15%, 25%, 28%, 33%, and 35%. However, the fiscal cliff legislation passed early this year increased the maximum rate for higher-income individuals to 39.6% (up from 35%). This change only affects taxpayers with taxable income above $400,000 for singles, $450,000 for married joint-filing couples, $425,000 for heads of households, and $225,000 for married individuals who file separate returns. Higher-income individuals can also get hit by the new 0.9% Medicare tax and the 3.8% Net Investment Income Tax (NIIT), which can result in a higher-than-advertised federal tax rate for 2013. Despite these tax increases, the current federal income tax environment remains relatively favorable by historical standards. Here are some tax planning ideas to consider.

**Leverage Standard Deduction by Bunching Deductible Expenditures.** If your 2013 itemized deductions are likely to wind up being just under, or just over, the standard deduction amount, consider bunching together expenditures for itemized deduction items every other year, while claiming the standard deduction in the intervening years. The 2013 standard deduction is $12,200 for married joint filers, $6,100 for single filers, and $8,950 for heads of households.

**Consider Deferring Income**. It may pay to defer some taxable income from this year into next year if you expect to be in the same or lower tax bracket in 2014. For example, if you're self-employed and a cash-method taxpayer, you can postpone taxable income by waiting until late in the year to send out some client invoices. That way, you won't receive payment for them until early 2014. You can also postpone taxable income by accelerating some deductible business expenditures into this year. Both moves will defer taxable income from this year until next year.

**Gifts to Charities.** Say you want to make some gifts to favorite charities. You can make gifts in conjunction with an overall revamping of your holdings of stocks and equity mutual fund shares held in taxable brokerage firm accounts. *Do not* give away loser shares (currently worth less than you paid for them). Instead, sell the shares and take advantage of the resulting capital losses. Then give the cash sales proceeds to the charity and claim the resulting charitable write-off (assuming you itemize deductions). This strategy results in a double tax benefit (tax-saving capital loss plus tax-saving charitable contribution deduction). With winner shares, give them away to charity instead of giving cash. Here's why. For publicly traded shares that you've owned over a year, your charitable deduction equals the full current market value at the time of the gift. Plus, when you give winner shares away, you walk away from the related capital gains tax. So, this idea is another double tax-saver (you avoid capital gains tax on the winner shares, and you get a tax-saving charitable contribution write-off). Because the charitable organization is tax-exempt, it can sell your donated shares without owing anything to the IRS.

**Make Charitable Donations from Your IRA.** IRA owners and beneficiaries who have reached age 70½ are permitted to make cash donations totaling up to $100,000 to IRS-approved public charities directly out of their IRAs. These so-called *Qualified Charitable Distributions* (QCDs) are federal-income-tax-free to you, but you get no itemized charitable write-off on your Form 1040. That's okay, because the tax-free treatment of QCDs equates to an immediate 100% federal income tax deduction without having to worry about restrictions that can limit itemized charitable write-offs. Be careful—to qualify for this special tax break, the funds must be *transferred directly* from your IRA to the charity. Also, this favorable provision will expire at the end of this year unless Congress extends it.

**Don't Overlook Estate Planning.** For 2013, the annual gift tax exclusion is $14,000, the unified federal gift and estate tax exemption is a historically generous $5.25 million, and the federal estate tax rate is a historically reasonable 40%. Even if you already have an estate plan, it may need updating to reflect the current estate and gift tax rules. Also, you may need to make some changes for reasons that have nothing to do with taxes.