



TAX PAYMENT
CALENDAR

MAY
2013

<u>Date</u>			<u>Completed</u>
<u>Payroll Date</u>	<u>Deposit Date</u>	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 second quarter.	
April 24-26	May 1		
27-30	3		
May 1-3	8		
4-7	10		
8-10	15		
11-14	17		
15-17	22		
18-21	24		
22-24	30		
25-28	31		
29-31	June 5		
1	May Day.		
4-5	Tulip Time Art and Craft Fair – Centennial Park, Holland.		
4-11	Tulip Time Festival – Holland.		
12	Mother's Day.		
13	Michigan sales and use tax deposit for month of April to claim early payment discount.		
15	Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during April. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and second quarter.		
15	Corporations with fiscal year ending May 31, August 31, November 30, or January 31: <ul style="list-style-type: none"> • Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit. 		
15	Corporations with fiscal year ending February 28: <ul style="list-style-type: none"> • Federal Income Tax Return - Form 1120 or 1120-S. • 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: <ul style="list-style-type: none"> • Pay CIT estimate to State of Michigan. 		
17-19	Great Lakes Kite Festival – Grand Haven State Park.		
18	Armed Forces Day.		
20	Michigan combined Sales, Use, Withholding and CIT Estimate Return for the month of April.		
27	Memorial Day (Observed).		
31	Corporations with fiscal year ending January 31: <ul style="list-style-type: none"> • File CIT return and pay balance due to State of Michigan. 		

APRIL

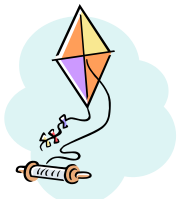
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MAY

SU	M	T	W	TH	F	SA
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JUNE

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23	24	25	26	27	28	29
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TAX CHANGES FOR 2013

Although most 2012 tax returns have just been filed, it is not too early to begin planning for the host of tax changes that kick in for 2013. Here's a quick rundown of the most important provisions that have changed.

Higher Tax Rates for Upper-income Individuals. For most individuals, the federal income tax rates on ordinary income (such as wages, self-employment income, and interest) for this year are unchanged. Specifically, the 10%, 15%, 25%, 28%, 33%, and 35% tax rates you've grown accustomed to in the past are still in force for this year. However, the *maximum* rate on ordinary income collected by higher-income individuals is now 39.6% (up from 35% last year). This rate hike only affects singles with taxable income above \$400,000 and married joint-filing couples with income above \$450,000.

The federal income tax rates on long-term capital gains and qualified dividends are also unchanged from last year for most individuals. Specifically, the 0% rate still applies to long-term gains and dividends that fall within the 10% and 15% ordinary income tax brackets, and the 15% rate still applies to most other long-term gains and dividends. However, the maximum rate for higher-income folks is now 20% (up from 15%). Again, this rate hike only affects singles with taxable income above \$400,000 and married joint-filing couples with income above \$450,000.

Personal and Dependent Exemption Phase-out Rule for Upper-income Individuals. After being gone for 2010–2012, the phase-out rule for personal and dependent exemption deductions is back in force for this year. Phase-out starts at Adjusted Gross Income (AGI) of \$250,000 for singles and \$300,000 for married joint-filing couples.

Itemized Deduction Phase-out for Upper-income Individuals. After being gone for 2010–2012, the phase-out rule for some of the most common itemized deductions is also back in force for this year. As a result, higher-income folks can potentially lose up to 80% of their write-offs for mortgage interest, state and local income and property taxes, charitable contributions, and miscellaneous itemized deductions. Phase-out starts at AGI of \$250,000 for singles and \$300,000 for married joint-filing couples.

Alternative Minimum Tax Relief. Congress finally gave us some permanent relief from the dreaded Alternative Minimum Tax (AMT). The relief mainly consists of larger and inflation-indexed AMT exemption amounts and allowing various personal tax credits to offset the AMT. As a result, about 30 million households a year will be kept out of the AMT zone.

Relatively Favorable Estate and Gift Tax Rules. For this year and beyond, we have a unified federal estate and gift tax exemption of \$5 million—adjusted annually for inflation—and a 40% tax rate (up from last year's 35% rate). For 2013, the inflation-adjusted exemption amount is \$5.25 million. The right to leave your unused federal estate and gift tax exemption to your surviving spouse (the so-called portable exemption deal) is now permanent. The annual gift exclusion for 2013 is \$14,000.

New 0.9% Medicare Tax on Earned Income. Before this year, the Medicare tax rate on salary and/or Self-employment (SE) income was a flat 2.9%. For employees, 1.45% was withheld from paychecks, and the other 1.45% was paid by the employer. Self-employed individuals paid the whole 2.9% themselves. Starting this year, an extra 0.9% Medicare tax is due on salary and/or net SE income above \$200,000 for an unmarried individual and \$250,000 for a married joint-filing couple.

New 3.8% Net Investment Income Tax. Starting this year, all or part of the net investment income, including long-term capital gains and dividends, collected by higher-income folks can get socked with a new 3.8% Medicare contribution tax, referred to as the Net Investment Income (NII) tax. The NII tax will not affect you unless your modified AGI (MAGI) exceeds \$200,000 for an unmarried individual or \$250,000 for a married joint-filing couple. The NII tax will only apply to the *lesser* of: (1) your net investment income or (2) the amount of your MAGI in excess of the applicable threshold.

New Higher Threshold for Medical Expense Deductions. Before this year, you could claim an itemized deduction for medical expenses paid for you, your spouse, and your dependents, to the extent those expenses exceeded 7.5% of your AGI. Starting this year, however, a higher 10%-of-AGI threshold applies to most individuals. Through 2016, special rules apply to taxpayers age 65 and older.