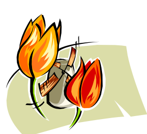
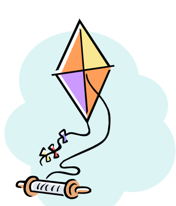
TAX PAYMENT
CALENDAR

MAY
2014

Payroll Date	Deposit Date		
April 26-29	May 2	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.	
30-May 2	7		
May 3-6	9		
7-9	14		
10-13	16		
14-16	21		
17-20	23		
21-23	29		
24-27	30		
28-30	June 4		
31-June 3	6		

Date		Completed
1	May Day.	
3-4	Tulip Time Art and Craft Fair – Centennial Park, Holland.	
3-10	Tulip Time Festival – Holland.	
11	Mother's Day.	
12	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: • Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit.	
15 	Corporations with fiscal year ending February 28: • 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: • Pay CIT estimate to State of Michigan.	
16-18	Great Lakes Kite Festival – Grand Haven State Park.	
17	Armed Forces Day.	
20	Michigan combined Sales, Use, Withholding and CIT Estimate Return for the month of April.	
26	Memorial Day (Observed).	
June 2	Corporations with fiscal year ending January 31: • File CIT return and pay balance due to State of Michigan.	



APRIL

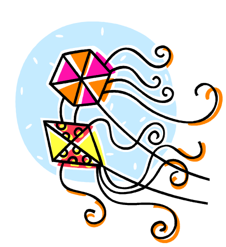
SU	M	T	W	TH	F	SA
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

MAY

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**	**29**	**30**	**31**

JUNE

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
29	30					



MAY 2014

TAX COURT DECISION ON ONE-IRA-ROLLOVER-PER-YEAR RULE CONTRADICTS LONGSTANDING IRS GUIDANCE

In a recent decision, the Tax Court ruled that the one-IRA-rollover-per-year limitation applies to all of an individual's IRAs rather than on an account-by-account basis. This decision directly contradicts longstanding guidance in IRS Publication 590 (Individual Retirement Arrangements) which says the one-IRA-rollover-per-year limitation applies to each IRA separately. The general statutory rule is that an amount distributed from an IRA must be included in the recipient's gross income for federal income tax purposes, except to the extent the distribution consists of non-deductible contributions. A favorable exception applies when the distributed amount is rolled over into an IRA, individual retirement annuity, or qualified retirement plan by no later than the 60^{th} day after the day on which the taxpayer received the distribution. In that case, the rolled over amount is tax-free.

By law, the tax-free rollover privilege is limited to one rollover within any one-year (12-month) period. The one-year period starts on the date the amount that is rolled over is received, not the date it is rolled over. In Publication 590, the IRS has historically taken the position that when an individual has several IRAs, the one-IRA-rollover-per-year limitation applies separately to each IRA. Therefore, you could not conduct more than one tax-free rollover during any 12-month period with any particular IRA, but if you had two or more IRAs, you could potentially make two or more tax-free rollovers during a 12-month period (one for each account). Now the Tax Court has said that this taxpayer-friendly interpretation of the one-rollover-per-year limitation is wrong.

In the recent case, the taxpayer maintained two traditional IRAs. His transactions during 2008 with respect to his IRAs were as follows:

- On 4/14/08, he received two distributions totaling $ 65,064 from IRA-1.
- On 6/6/08, he received a $ 65,064 distribution from IRA-2.
- On 6/10/08, he transferred $ 65,064 from his individual checking account to his IRA-1. This was apparently intended to accomplish a tax-free rollover of the amount distributed from IRA-1 on 4/14/08. The transfer occurred within the permitted 60-day window for rolling over the 4/14/08 distribution.
- On 8/4/08, $ 65,064 was transferred from a joint checking account to IRA-2. This was apparently intended to accomplish a tax-free rollover of the amount distributed from IRA-2 on 6/6/08. The transfer occurred within the permitted 60-day window for rolling over the 6/6/08 distribution.

The taxpayers did not report any of the 2008 IRA distributions as income on their Form 1040 for the year. They claimed all the distributions had been rolled over tax-free. After an audit, the IRS claimed that the 6/6/08 distribution of $ 65,064 to the taxpayer from his IRA-2 was taxable, because he had already used up his one-IRA-rollover-per-year privilege by rolling over the 4/14/08 distribution from his IRA-1. The taxpayers took their case to court where the Tax Court agreed with the IRS. Specifically, the Tax Court decided that the plain statutory language of the one-IRA-rollover-per-year limitation is not specific to any particular IRA owned by an individual. Instead, the limitation applies to all IRAs owned by an individual.

Thankfully, taxpayers can often skirt the whole one-IRA-rollover-per-year issue by moving their IRA money around tax-free via direct trustee-to-trustee transfers that don't ever pass through their hands. Such direct transfers don't count as rollovers for purposes of the one-IRA-rollover-per-year limitation. Another beneficial rule says that rolling over a distribution from a qualified retirement plan, such as a 401(k) plan, into your IRA doesn't count as a rollover for purposes of the one-IRA-rollover-per-year limitation. In Announcement 2014-15, IRS says it intends to issue a new proposed regulation and revise Publication 590 to adopt the Tax Court's new interpretation of the one-IRA-rollover-per-year rule. However, the IRS will not apply the new, stricter interpretation to any rollover that involves a distribution that occurs before 1/1/15.