



TAX PAYMENT
CALENDAR

MAY
2015

<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 25-28	May 1		
29-May 1	6		
May 2-5	8		
6-8	13		
9-12	15		
13-15	20		
16-19	22		
20-22	28		
23-26	29		
27-29	June 3		
30-June 2	5		
1	May Day.		
2-3	Tulip Time Art and Craft Fair – Centennial Park, Holland.		
2-9	Tulip Time Festival – Holland.		
10	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: <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. 		
16	Armed Forces Day		
16-17	Great Lakes Kite Festival – Grand Haven State Park.		
20	Michigan Sales, Use and Withholding Taxes Return for the month of April.		
25	Memorial Day (Observed).		
June 1	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

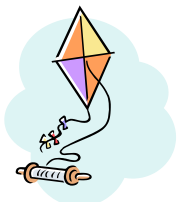
SU	M	T	W	TH	F	SA
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY

SU	M	T	W	TH	F	SA
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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
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		



ROTH IRAs FOR KIDS

If you have a teenage child who works, consider encouraging the child to use some of the earnings for Roth IRA contributions. All that's required to make a Roth IRA contribution is having some earned income for the year. Age is completely irrelevant. For the 2015 tax year, your child can contribute the lesser of: (1) earned income or (2) \$ 5,500.

Modest Contributions at an Early Age Can Amount to Big Bucks by Retirement Age. By making Roth IRA contributions for just a few years, your child can potentially accumulate quite a bit of money by retirement age. Realistically, however, most kids won't be willing to contribute the \$ 5,500 annual maximum even when they have enough earnings to do so. Be satisfied if you can convince your child to contribute at least a meaningful amount each year. Here's what could happen, if a 15-year-old makes the following Roth IRA contributions starting now:

- *\$ 1,000 at the End of Each Year for Four Years.* Assuming a 5% annual rate of return, the Roth IRA would be worth about \$ 33,000 in 45 years when your "child" is 60 years old. If you assume a more-optimistic 8% return, then the account would be worth about \$ 104,000 in 45 years.
- *\$ 2,500 for Each of the Four Years.* Assuming a 5% return, the Roth IRA would be worth about \$ 82,000 in 45 years. Assuming an 8% return, the account value jumps to a whopping \$ 259,000.

Why the Roth IRA Is Usually the Better IRA Option for Kids. For a child, contributing to a Roth IRA is usually a much better idea than contributing to a traditional IRA for several reasons. The child can withdraw all or part of the annual Roth IRA contributions—without any federal income tax or penalty—to pay for college or for any other reason. (However, Roth IRA earnings generally cannot be withdrawn tax-free before age 59½.) In contrast, if your child makes deductible contributions to a traditional IRA, any subsequent withdrawals must be reported as income on your child's tax returns.

Advice: Even though a child can withdraw Roth IRA contributions without any adverse federal income tax consequences, the best strategy is to leave as much of the Roth IRA balance as possible untouched until retirement age in order to accumulate a larger federal-income-tax-free sum.

What about tax deductions for traditional IRA contributions? Isn't that an advantage compared to Roth IRAs? Good questions. There are no write-offs for Roth IRA contributions, but your child probably won't get any meaningful write-offs from contributing to a traditional IRA either. That's because an unmarried dependent child's standard deduction will automatically shelter up to \$ 6,300 of 2015 earned income from the federal income tax. Any additional income will probably be taxed at very low rates. So, unless your child has enough taxable income to owe a significant amount of tax (not likely), the theoretical advantage of being able to deduct traditional IRA contributions is mostly or entirely worthless. Since that's the only advantage a traditional IRA has over a Roth IRA, the Roth IRA option almost always comes out on top for kids.

Conclusion. Encouraging working kids to make Roth IRA contributions is a great way to introduce the ideas of saving money and investing for the future. Plus, there are tax advantages. It's never too soon for children to learn about taxes and how to legally minimize or avoid them. Finally, if you can hire your child as an employee of your business, some additional tax advantages may be available.