5525 Green Bay Road
Kenosha, WI 53144-3737

PPG PARTNERS, L.L.C.
Certified Public Accountants and Consultants

Telephone: 262/657-2060
Fax: 262/657-2080
www.ppgpartners.net

Oct. 1st Marked the Start of the New Credit Card Processing Rules

Oct. 1 was the deadline for what the credit card industry calls a “liability shift.” This means that as of Oct. 1, how liability falls between credit-card issuers and merchants shifted. **Merchants that fail to update their credit card terminals to chip terminals will be liable for any fraudulent transactions, not the bank that issued the card.**

The new chip-enabled cards, which are also called EMV cards (short for Europay, MasterCard and Visa), are being phased in because they're more secure than the old-style magnetic-strip cards. Unlike traditional cards that can be stolen and counterfeited, EMV chips contain encrypted data about the consumer. The chip creates a unique code for each transaction, making it difficult for criminals to duplicate consumers' information. These EMV cards have been around since the 1990s, and much of Europe and the U.K. already uses them

If someone attempting fraud with a chip card would hit a chip terminal, the merchant is protected from charge-backs by the card issuer. But if the merchant is still using an older magnetic strip reader, the liability for charge-backs falls on the business.

What it Means for Your Practice
While it’s conceivable that some new patients might be crooks, it’s probably not likely patients will use a phony credit card to pay for, say, a dental procedure. And though the rules changed on Oct. 1, you are not required to take immediate action; this was not a deadline by which you had to act, only the deadline for the liability shift. Patients can still use the mangnetic-strip cards.

However, there is no sense in taking on a new risk when there is no offsetting benefit, and you should upgrade your terminal as soon as possible.

Additionally, the new standards will eventually become widely adopted, at which point the Payment Card Industry Security Standards Council (PCI) will likely start imposing annual fines on non-adopters.

Financial Calculators on PPG Partners Website Can Help You Plan

We now have a variety of interactive financial calculators on our website that can help you plan for your present and future. Simply enter your criteria and you'll get your questions answered with dynamic graphs and personalized reports! Our wide range of calculator options includes: auto, business, cash flow, college, credit, home and mortgage, insurance, investment, paychecks and benefits, qualified plans, retirement, saving, and taxation.

Try them at **ppgpartners.net/financial-calculators**.

Want more? Get daily updates and relevant news alerts by following us on Social Media!

Connect with PPG Partners Online!

twitter.com/ **PPGPartners**

facebook.com/ **PPGPartners**

linkedin.com/ **company/ppg-partners-llc**

You Can Get Generous Tax Benefits for Hiring Your Own Child

How would you like to help your children develop a sense of responsibility and strong work ethic, while simultaneously letting them earn some money and save for college, all tax-free?

It's possible. Kids fill our lives with joy, but they also fill our lives with tax benefits. Every child you claim as a dependent can lower your taxable income, and the Child Tax Credit may save you even more money per qualifying child if your income is under the threshold.

But those tax benefits apply to all parents. There's another way to lower your family's taxes that only applies to business owners: hire your children to work for you.

As long as they're doing legitimate work for your business, you can hire your child and pay them up to $6,300 per year tax-free. If they stay under this limit, they usually don't even have to file a tax return. And you get to deduct their wages, which lowers your business' taxable income.

For sole proprietorships and LLCs taxed as a partnership, you even get to avoid the payroll tax.

Using this strategy, you've effectively moved income from your high tax rate–or your business' high tax rate–to your child's tax rate, which is zero. And you've kept the money in the family.

There are countless jobs kids can do for you, and you can pay them at the same rate that you'd pay any other employee. Here are some ideas:

- Janitorial duty/Cleaning the office
- Updating or cleaning databases
- Transcribing video or audio
- Weeding or mowing the lawn at your business
- Walking door to door and leaving fliers
- Washing company cars
- Data-entry
- Making trips to the post office
- Modeling for brochures or your website
- Updating your social media accounts

The options are limitless, but to avoid IRS scrutiny, make sure it's a job that's age appropriate and your child can do sufficiently.

Your kids will love getting their hands on some spending money. But you're their parent, so it's smart to make sure that the money isn't all spent on videogames and mobile apps. Encourage them to put most of their money in a college savings account, which helps to teach them the value of saving.

Use this strategy wisely, and you'll give your children a valuable head start on life.

IRS to Increase Visits to Small Businesses

The IRS has indicated that they plan to increase visits to taxpayers and small businesses in the areas of payroll tax collection and compliance.

You may be concerned that you/your business is not prepared or qualified to deal with such a visit. Just remember: you are not required to deal with the IRS alone. If an IRS agent shows up at your door, you may tell the agent that you wish to have someone represent you, and decline to grant an interview or give immediate access to your files. IRC 7521(b)(2) requires the IRS to suspend the interview at any time this request is made by the taxpayer.

If you have concerns about your payroll tax compliance and would like guidance, please contact your PPG Partners CPA or Staff Accountant.