

State Withholding Payments

If your staff has the responsibility of making your Illinois withholding payments through the MyTax Illinois website, please make sure they are choosing the correct period to apply the payment to. Unfortunately, Illinois will not simply move the payment to the correct period if you realize a mistake was made. If your quarterly Form IL-941 filed does not match your payments/period selected, the department will determine that you are underpaid for that quarter, even if you have submitted the correct amount of money year-to-date. Illinois will not recognize your payment made to the incorrect period until *the next year*. Additionally, the state will not automatically recognize your payment; you or we will have to work with them to get it fixed, including sending them a copy of your business' W-2s to verify withholding.

As a reminder, your withholding payments should be applied to the period that the pay date is in. This is applicable for both Illinois and Wisconsin, as well as Federal withholding payments.

For example, you may have a "pay period" that ends on March 30, and your pay date for those business days is April 1. Your Illinois withholding payment should be applied to the period of April 1-June 30, not the period of January 1-March 31, even though all business days occurred before March 31.

Please be sure those responsible for making withholding payments are aware of the importance of choosing the correct period. You do not want to end up in a situation where you have to pay double your state taxes because your original payment is held up until the end of the year. Additionally, this can be a costly error to fix due to the time you or we will need to spend to correct it. If you have a question about what period to apply your payment to, please ask your PPG Partners accountant.

Memorandum to Our Clients:

Reminder of your responsibility to maintain a complete Paid Invoice File for all expenditures deducted as expenses for your practice

We remind all clients each year that it is your responsibility to maintain a complete paid invoice file for each line item expenditure that you take a deduction for in your professional practice. You need to keep your paid invoices and make sure they get into your paid invoice file.

Cancelled checks and credit card statements with detailed line itemization of expenses are not considered adequate records by the authorities without additional source documents/invoices to back each item up. Monthly payments on credit cards are subject to the same line item documentation requirements and will be disallowed upon audit, without complete reconciliation to the monthly credit card statements along with the source documents/invoices which would be required to be produced.

We recommend that you maintain your paid invoice file either chronologically, by month, or organized by vendor and expense category, and segregate the file for each year. Always keep at least five (5) years of the paid invoice files.

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IRS' IP PIN Notices Have Incorrect Tax Year Listed

If you were a victim of tax identity theft last year and filed the correct paperwork (PPG Partners may have filed this paperwork on your behalf), you should have recently received a notice from the IRS containing your personal Identity Protection PIN ("IP PIN"). These notices incorrectly indicate that the IP PIN issued is to be used for filing your 2014 tax return, when the number is actually to be used for your 2015 tax return. Please do not discard your notice, as your IP PIN will be needed to file your 2015 tax return. If PPG Partners prepares your return, please be sure to give your notice to us along with your other tax return documents.

When were the notices mailed?

The notices are all dated January 4, 2016, but were mailed in late December. You should have received your notice by the end of January.

What does an IP PIN do?

An IP PIN helps the IRS verify a taxpayer's identity and accept their tax return. When you have an IP PIN, it prevents someone else from filing a tax return with your Social Security number.

If a return is e-filed with your Social Security number and an incorrect or missing IP PIN, the IRS system will reject the return until it is submitted with the correct IP PIN or you file on paper. If the same conditions occur on a paper filed return, the IRS will delay its processing and any refund you may be due for your protection while they determine if it's yours.

Illinois Warns Businesses of Statewide Corporate Scam

Illinois Secretary of State Jesse White and Illinois Attorney General Lisa Madigan are warning businesses to beware of a scam targeting Illinois corporations. A firm called Illinois Council for Corporations is contacting Illinois businesses in an attempt to collect a \$125 fee to fill out a corporation's "Annual Minutes Records Form."

The Illinois Business Corporation Act does not require corporations to file a "Minutes Records Form" or pay such a fee with the state or any private entity.

"This bogus firm is sending out a form that looks similar to the Secretary of State's annual report form," White said. "We are concerned that companies are filing the form and paying the \$125 fee because they believe they are filing their annual report with us, as required by law."

There is no fee due to the state for annual minutes. The annual report fee is normally the only fee a corporation would pay to the Secretary of State Business Services Department. Illinois corporations should be on alert for this and other similar attempts to confuse Illinois business owners about state law.

Wisconsin Sales and Use Tax Reminder

In our newsletter from December, 2015, we reported that paper medical records are no longer taxable in Wisconsin. We are reminding you that if a seller (your practice) files a claim for refund for tax that was collected from buyers, the seller must return the tax and related interest refunded by the department to each buyer from whom the tax was collected. If you cannot locate the buyer(s), you must return the money to the department. Failure to return the money to the buyer or the department results in a penalty of 25% of the amount not submitted or, in the case of fraud, a penalty equal to the amount not submitted.

Please see our newsletter from December, 2015, for more information on sales and use tax as it pertains to Wisconsin paper medical records: <http://ppgpartners.net/newsletters-archive>.