



SHAREHOLDERS

*Joseph P. Myers, CPA,
 CVA*



*Michael D. Patsy, CPA,
 MST*



**FIRM'S
 PHILOSOPHY**

- ◆ Know where you are
- ◆ Know where you want to be
- ◆ Keep it Simple
- ◆ Keep it Practical
- ◆ Keep it Controlled, and
- ◆ Keep it Manageable

**MISSION
 STATEMENT**

*Our mission is to help our clients and employees achieve financial success by providing **exceptional** service, **accurate** and **timely** management tools and **practical** financial and tax advice.*

SERVICES

- ◆ Accounting & Auditing
- ◆ Estate Planning
- ◆ Bookkeeping
- ◆ Tax Planning & Preparation
- ◆ Consulting
- ◆ Business Valuation Services
- ◆ QuickBooks Consulting & Training
- ◆ 45 Other Accountant Related Services

Introduction

Thank you for taking time to read the Spring 2016 edition of our e-Newsletter! We named our e-Newsletter "De-duck-tions", as in tax deductions, because people repeatedly ask "what can I de-duck-t?" and "when can you take a tax de-duck-tion?" In our e-Newsletter, we will delve into these issues and more. We'll provide you with the latest tax planning and compliance strategies and along the way inform you of other services that can help you achieve financial success. In short, we'll find you tax de-duck-tions! After all, it's not what you make that matters, it's what you keep.

Quick Books Training



We offer QuickBooks training throughout the year. *QuickBooks Training: An Introduction to QuickBooks* is a 6 week course, which runs for 2 hours, 1 evening per week. Classes are held in our Classroom with state of the art A/V and media equipment. Participants will be able to learn more about using QuickBooks through a slide presentation and will also gain practical experience through computer exercises with a Sample Company. The cost is \$299 for 12 hours of training with an experienced QuickBooks trainer, Joe Myers. Our next session will be held Tuesdays from June 21 – July 26, 2016 from 6 – 8 PM. Call today to reserve your space.

Have You Updated Your Corporate Minutes?

With a corporation, major decisions affecting the company require the issuance of a resolution regarding a decision. Resolutions are often required for actions such as buying, selling or leasing real property, incurring debt and entering into contracts. Drafting resolutions can become time consuming, but failure to do so endangers the limited liability protection of the corporate form. LLC's are not required to issue resolutions, but should still document decisions in Member Minutes. We can update your resolutions or minutes for as little as \$99 per year. Please contact us if you are interested.

Honors, Awards & Community Service

Thumbtack ranked JP Myers & Associates LLC as the #1 Tax Consultant in Butler County for 2015
 Mike is President Elect of the *Sunrise Rotary Club of Cranberry Twp.*
 Mike is Secretary/Treasurer of *BNI T.E.A.M. Green Chapter*
 Joe is a member of *BNI – Southpointe Chapter*
 Joe is President of *Carnegie Community Development Corporation ("CCDC")*
 Joe is Interim CFO/Director of Business Enterprises for *City Mission*



CLASSROOM IN CARNEGIE

- ◆ Historic Masonic Hall Building
- ◆ 500 sq ft
- ◆ Can Accommodate up to 30 people
- ◆ State of the Art A/V
- ◆ Handicap Accessible
- ◆ Flexible Room Layouts
- ◆ Fastest Internet Available
- ◆ Public Wireless Internet Access
- ◆ White Boards
- ◆ Available Hourly or Daily
- ◆ Perfect for Small Conferences, Board Meetings or Continuing Professional Education Courses



Members of SMC or BNI get a 20% discount on rental rates.



“Like” the Classroom in Carnegie on Facebook?

Upcoming Events

Thursday, May 26; 6pm-7:30pm

Classroom in Carnegie

J.P. Myers & Associates, LLC is sponsoring a College Planning Workshop hosted by Bridget Hotrum of College Bound Admissions Academy. The workshop will focus on the significant changes to both the college application process and financial aid process/timeline. This is a no cost workshop and open to the public.

Monday, June 27; 9:00 AM – 3:30 PM

SMC Business Councils/Buy Pittsburgh First 2016 Golf Outing

Cranberry Highlands Golf Course

If you are interested in any of these events, please contact our office.

Mother of All Tax Deductions

By: Michael D. Patsy, CPA, MST

Each e-newsletter, we will explore tax strategies that will allow you to minimize your federal and/or state tax liabilities if properly utilized. In this issue, we ask the question: *Is S corporation the right entity choice for your business?*

In order to answer this question, you need to know what an S corporation is and some of its characteristics. The Internal Revenue Service defines S corporations as corporations that elect to pass corporate income, losses, deductions, and credits through to their shareholders for federal income tax purposes. Shareholders of S corporations report the flow-through of income and losses on their personal tax returns and are assessed tax at their individual income tax rates. This allows S corporations to avoid double taxation on the corporate income. To qualify for S corporation status, the corporation must meet the following requirements:

- Be a domestic corporation
- Have only allowable shareholders
 - May be individuals, certain trusts, and estates and
 - May not be partnerships, corporations or non-resident alien shareholders
- Have no more than 100 shareholders
- Have only one class of stock
- Not be an ineligible corporation (certain financial institutions, insurance companies, and DISCs)

Some advantages of S corporations:

- Limited Liability for company directors, officers, shareholders and employees.
- Pass-through taxation.
- Elimination of double taxation of corporate income.
- Perpetual existence even if the owner leaves or dies.
- Not considered earned income for self-employment taxes.

Some disadvantages of S corporations:

- Limitations on who and what can be shareholders
- Formation and ongoing expenses
- Tax qualification obligations. (file additional tax returns – 1120s & payroll)
- Closer IRS scrutiny regarding payments to employees and shareholders.

A sole proprietor can create a limited liability company (LLC) for their business to help

NEWS/SPEAKER REQUESTS

Joe & Mike are available to present to your group on a variety of topics.

Topic Examples:

- ◆ QuickBooks
- ◆ Start-up
- ◆ Tax Updates

Contact us for more information at 412-276-4150.

JP Myers & Associates, LLC

Suite 201
150 East Main Street
Carnegie, PA 15106
412-276-4150
412-428-9079 Fax

We're on the Web!

www.jpmyerscpas.com

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limit liability, but the LLC is disregarded for income tax purposes so the member is still subject to self-employment taxes. Normally, the default for a single member LLC is to be disregarded for income tax purposes. However, a single member or multi-member LLC can elect to be treated as an S corporation.

The IRS indicates that the S corporation must pay greater than 2% shareholders that actively participate, a "reasonable compensation". What constitutes "reasonable" is based on facts and circumstances, but if you push the envelope too far, you put yourself at risk for an IRS audit. The reason for this risk is that the net profits of an S corporation are not subject to self-employment taxes. In situations where the S corporation does not pay their greater than 2% shareholders "reasonable compensation", the IRS can argue that all of the income is subject to self-employment taxes. In this case, the shareholder could be subject to back taxes, interest and penalties.

For example, for a sole proprietorship that has \$100,000 in profits, the self-employment taxes alone could be almost \$14,000. If the same business were taxed as an S corporation and paid its 100% shareholder a salary of \$50,000, the remaining \$50,000 of net profits would not be subject to self-employment taxes. The salary of course is subject to payroll taxes, of about \$7,000. In this example, the entity and shareholders would pay about \$7,000 less in income and self-employment taxes than if the entity was a sole proprietorship.

There are many factors in determining what choice of entity is right for your business. This article is an overview of S corporations and should not be construed as tax advice or a recommendation. If you are interested in learning more about S corporations or other entity choices available to you, please contact Joe or Mike.

Please note that this article is for informational purposes only. Strategies in addition to the foregoing also exist. Advice on your specific situation should be obtained only by consultation with a CPA.



Care Solutions of Pittsburgh offers in-home care solutions for seniors and the disabled in the Greater Pittsburgh Area.

As the population of America's Seniors continues to grow, more and more Seniors are finding ways to reside in the comfort of their own home. Having the good fortune to remain at home and avoid moving into a retirement center or nursing home, these individuals have found the key to living more fulfilling, healthier and happier lives.

Care Solutions is committed to help their clients achieve a comfortable level of independence by preserving daily living with dignity and respect in the safety and security of their own home.

They provide consistent care for the assurance of a comfortable daily routine. Our caregivers possess a genuine desire to help people. A caregiver will be specifically chosen for each client based on personality and needs.

For more information about Care Solutions, contact them at 412-341-7780 or visit www.caresolutionspgh.com.



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Calendar



May

5/10/2016 Employers: Employees are required to report to you tips of \$20 or more earned during April. File Form 941 for the first quarter if you timely deposited all required payments.

5/16/2016 Deposit payroll tax for Apr if the monthly deposit rule applies.

5/31/2016 File Form 730 and pay the tax on wagers accepted during April. File Form 2290 and pay the tax for vehicles first used during April.

June

6/10/2016 Employers: Employees are required to report to you tips of \$20 or more earned during May.

6/15/2016 Individuals living outside the U.S.: File Form 1040. For automatic 4 month extension file form 4868 and deposit estimated tax. Pay the second installment of 2016 estimated tax -Use Form 1040-ES. Deposit payroll tax for May if the monthly deposit rule applies. Corporations: Deposit the second installment of your 2016 estimated tax.

A Springtime Recipe from Our Kitchen (and allrecipes.com.)

Spinach and Tortellini Salad

Ingredients

(9 ounce) package cheese-filled tortellini	2 cups cherry tomatoes, halved
(10 ounce) package frozen chopped spinach, thawed and drained	1 (2 ounce) can sliced black olives
1/3 cup grated Parmesan cheese	(8 ounce) bottle Italian-style salad dressing

Directions

1. In a large pot of salted boiling water, cook pasta until al dente, rinse under cold water and drain.
2. In a large bowl, combine the tortellini, spinach, cheese, tomatoes and olives. Add enough salad dressing to coat. Toss and season with salt and pepper.



May 8th – Happy Mother's Day!

May 30th – Happy Memorial Day! A very special THANK YOU to our Vets!

June 12th – Happy Father's Day!

July 4th – Independence Day