



# Technology Times

Volume V, Issue II

*Insider Tips To Make Your Business Run Faster, Easier, & More Profitably*

February 2012

## What You Need To Know For Your 2011 Tax Filing and What's New For 2012



Tax season is here again! While the filing deadline might be a couple of months away, you should now be receiving all required third-party reporting documents: W2s, 1099s (for interest and dividends and for non-employee compensation, if you are an independent contractor), 1099-Bs from your broker reporting proceeds from the sale of stocks and bonds, 1098s from your mortgage holder, K-1s from partnerships, S Corps, estates and trusts. Hopefully, you've set up a file to store all of these documents to make data gathering for tax preparation a snap. If not, now's the time to create one.

Note that the due date for filing this year is April 17th. If a tax due date falls on a weekend or a holiday, the next business day becomes the due date. This year April 15th is a Sunday and Monday, April 16th is a federal holiday, so the due date falls on Tuesday, April 17th. If you are unable to file by the deadline, you may obtain an extension to Octo-

ber 15th. Bear in mind that the extension is for filing, not paying. All taxes must be paid by April 17th otherwise you may suffer penalties and interest.

If you pay estimated tax payments throughout the year, the payments for 2012 will be due on April 17, June 15, September 17 and January 15, 2013.

Business mileage rates for 2011 were changed mid-year, so when calculating your mileage for 2011 use the rate of 51 cents per mile for miles driven up to June 30, 2011 and 55 ½ cents per mile from July 1 to December 31, 2011.

Mileage rates for 2012 are as follows: 55 ½ cents per mile for business, 23 cents per mile for moving and medical, and 14 cents per mile for charitable purposes.

The temporary payroll tax cut has been extended to February 29th; employees will enjoy a continued savings of 2% of wages withheld for Social Security - from 6.2% to 4.2%. The Social Security wage base for 2012 is \$110,100 up from \$106,800 in 2011. Once your wages exceed this amount, Social Security will not be withheld but Medicare will continue to be withheld.

The self-employment health insurance deduction no longer offsets the self-employment tax. In 2010 only, self-employed workers were able to reduce the amount subject to self-employment tax on Schedule SE by the amounts paid for health insurance premiums. You can still take the deduction on Form 1040 as an adjustment to income.

Foreign financial assets are reported on a new Form 8938. The foreign asset disclosure form is separate and different from the foreign bank account report. Taxpayers with foreign assets may need to file both documents.

The first-time home buyer's credit is now only available to members of the military or Foreign Service. If you are repaying the first-time home buyer's credit, you may not need to complete and attach Form 5405.

Also gone for 2011 is the Making Work Pay credit. For the past few years we have enjoyed \$400 (per year for single filings) or \$800 (per year for married filing joint) credit against our tax liabilities.

Source: <http://finance.yahoo.com/news/what-you-need-to-know-for-your-2011-tax-filing-and-what%E2%80%99s-new-for-2012.html>



*"As a business owner, I know you don't have time to waste on technical and operational issues. That's where we shine! Call us and put an end to your IT problems finally and forever!"*

**- Val Aubry  
Main Street Software**

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## February Trivia Challenge

The Grand Prize Winner of last month's Trivia Challenge is...

**Ab Zimmerman in Mountville.**

He correctly answered the following question:

*Which of these famous people has a birthday on January 1st?*

- A) Betsy Ross
- B) Paul Revere
- C) J. Edgar Hoover
- D) All of the above

The answer is:  
**D) All of the above**

Congratulations, Ab!!!

He won a Lifeline Ultimate Survivor Kit.

Now here's your chance to win a **Box of Chocolates!**

### This Month's Trivia:

*British Computer Scientist, Tim Bernes-Lee is noted for creating what?*

- A) The first computer
- B) The World Wide Web
- C) Turbo Tax Software
- D) Web conferencing

Email me right now with your answer!

**amy@mssinc.com**

Or call in with your answer!

**717.898.2946**

Must answer by February 17th to be eligible for prize.

*Please note: One prize per entrant, per quarter.*



Happy  
Valentines  
Day!

## Reporting Health Care Coverage On Form W2

By Wanda Valentine, Senior Tax Analyst

The Patient Protection and Affordable Health Care Act, enacted March 23, 2010, established new reporting requirements for the reporting of employer-provided health care coverage on Form W-2. The IRS has released [Notice 2012-9](#), which updates and clarifies information about these requirements, restating and superseding the information previously provided in Notice 2011-28.

Beginning with the Forms W-2 provided for the calendar year 2012 (generally provided to employees in January 2013), employers providing "applicable employer-sponsored coverage" under a group health plan are subject to a new reporting requirement. Employers subject to the reporting requirement generally include Federal, state and local government entities (except with respect to plans maintained primarily for members of the military and their families), but do not include Federally-recognized Indian tribal government.

This reporting requirement does not apply to calendar year 2011 Forms W-2. The requirement applies to calendar year 2012 Forms W-2, unless transition relief applies.

Reporting the cost of health care coverage on the Form W-2 does not mean that the coverage is taxable. The amount reported does not affect tax liability. The value of the employer's excludable contribution to health coverage continues to be excludable from an employee's income. The new reporting requirement is for informational purposes only and will provide employees useful and comparable consumer information on the cost of their health care coverage.

### Reporting Coverage on the Form W-2

The value of the health care coverage will be reported in Box 12 of the Form W-2, using Code DD to identify the amount. The amount reported on the Form W-2 should include both the portion paid by the employer and the portion paid by the employee.

Employers will not be required to issue a Form W-2 to retirees or any other former employees to whom the employer does not otherwise issue a Form W-2, solely to report the value of the health care coverage.

There is no requirements to report the total of these amounts on Form W-3.

### Transition Relief

For certain employers and with respect to certain types of coverage listed below, the requirements to report the value of coverage will not apply for the 2012 calendar year Forms W-2, and will not apply for future calendar years until the IRS publishes additional guidance.

The employers and arrangements to which the transition relief applies includes the following:

- Employers filing fewer than 250 Forms W-2 for the previous calendar year. For example, employers filing fewer than 250 2011 Forms W-2 will not be required to report the cost of coverage on the 2012 Forms W-2;
- Multi-employer plans;
- Health Reimbursement Arrangements;
- Dental and vision plans that are not integrated into...

*Continued on Back page...*

## Is Your Data *Really* Secure In The Cloud?



Are you thinking about moving all or parts of your computer network "to the cloud" but worried about who can access your data? You're not alone - but many security experts, software companies and cloud service providers alike agree that cloud computing offers a MORE secure way to store data. In fact, the US government's cyber security adviser Howard Schmidt had said that cloud computing will enable businesses to catch up on security issues.

That's because most small businesses do NOT have high-security measures in place for their data onsite and lack tight password protection policies, firewall management and backup procedures. The same business owners who verbalize their concern about putting their data in the cloud are backing up their entire network to a tape drive and leaving it in their car overnight - or are using weak passwords for important access points to their network, which are much bigger security risks than storing it in a highly secure, highly redundant cloud platform. That's like saying you'd rather stuff your money into a mattress at home than keep it in a bank because you're not sure who can see and touch your money.

Of course, with any data storage there is risk and there's no way to completely guarantee absolute security. That said, most cloud providers are far more diligent about security and invest millions of dollars into ensuring all aspects of security are as tight as possible. At Main Street Software we have spent a considerable amount of time investigating various cloud solutions and vendors for our clients.

If you want more information on cloud security and what to look for, you can always call us at 717-898-2946.

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## How To Manage Your Company's Online Presence With One Simple App

So you've bought into the whole social media and online marketing idea and you're Tweeting, posting to Facebook, LinkedIn, blogging and using Google+ (not to mention dozens of other online tools and resources) to promote your company. Whew!

However, here's the little "gotcha" to all of this that you might not have thought about: how do you manage all of this? And how can you keep an eye on these various web sites to make sure you're not missing a customer service issue, negative post or even a sales opportunity? The answer is HootSuite.

HootSuite is an online aggregation tool that allows you to review and manage all your online postings and presence through a simple, easy to use interface. All in one place, you can manage your company's Twitter accounts, your personal Facebook account, your company's Facebook fanpage, your LinkedIn posts, your WordPress blog entries and even more. You can even assign rights to any of your accounts to other team members without ever giving up a single password.

Other helpful features of HootSuite include:

- Monitor social mentions of your name or company whenever they happen
- Pre-schedule posting to happen any time in the future
- Easily post your message across multiple social media sites with the simple click of a button in your HootSuite portal
- Create custom reports to see where your traffic goes and what is working



## The Lighter Side... Funny Love Quotes



There is a place you can touch a woman that will drive her crazy. Her heart. ~ Melanie Griffith

Love is grand; divorce is a hundred grand. ~ Anonymous

I was nauseous and tingly all over. I was either in love or I had smallpox. ~ Woody Allen

Forget love, I'd rather fall in chocolate. ~ Anonymous

The great question... which I have not been able to answer... is, "What does a woman want?" ~ Freud

Marriage is the triumph of imagination over intelligence. Second marriage is the triumph of hope over experience. ~ Samuel Johnson

An archeologist is the best husband any woman can have; the older she gets, the more interested he is in her. ~ Agatha Christie

Gravitation cannot be held responsible for people falling in love. ~ Albert Einstein

You can't put a price tag on love, but you can on all its accessories. ~ Melanie Clark



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## Reporting Health Care Coverage Continued...

...another group health plan;

- Self-insured plans of employers not subject to COBRA continuation coverage or similar requirements;
- Wellness benefits, employee assistance plans, and on-site medical clinics, to the extent that the employer does not charge any amount to qualified beneficiaries for applicable COBRA continuation coverage or similar coverage; and
- Forms W-2 furnished to employees who terminate before the end of a calendar year and request a Form W-2 before the end of that year.

### Other Exclusions from W-2 Reporting Requirements

Generally, any applicable employer-sponsored coverage must be included in the aggregated reportable cost shown on the Form W-2. However, the following exceptions to the requirement apply:

- Long-term care coverage
- Coverage for certain HIPAA "Excepted Benefits" such as accident or disability income insurance
- Liability insurance
- Workers Compensation
- Archer MSA amounts
- Health Savings Accounts (HSAs)
- Salary reduction for flexible spending accounts (FSAs)

More information about the requirement can be found on the ACA pages at [www.IRS.gov](http://www.IRS.gov)



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- Source Land Transfer, LLC
- Shuttle Computer Group, Inc.

## Referral Program

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