

2010
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Top Employment Tax Issues

National Research Program (NRP)

Three years – 6,000 taxpayers

Examinations began March 2010

Audits based on random selections

Objective – seek information about trends



Affordable Care Act

Small business health care tax credit on premiums paid; 35% for certain small businesses; 25% for Tax Exempt organizations

Aggregate cost of health insurance reported on Form W-2 in 2011

10% Excise Tax on indoor tanning services

Expansion of information reporting requirements

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Hiring Incentives to Restore Employment (HIRE) Act

Available to employers who hire previously unemployed workers

Exempt from employer's share of social security tax

Employers also eligible for general business credit if new workers retained for 52 weeks at substantially the same pay



Hiring Incentives to Restore Employment (HIRE) Act

Form 941 for 2nd quarter 2010 revised

Forms W-2 and W-3 revised

Form W-11 created for employer use

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Form 1099-MISC Compliance

KEY – Form W-9: Request for TIN and Certification

IRS Sends CP2100 or CP2100A for returns filed with missing or incorrect TIN

Employer may be required to backup withhold

CP 2100 actions – missing or incorrect TINs

Form 1099-MISC Compliance

The “B” Notice

Solicitation requirements

Backup withholding, Form 945, IRS Audit
& Penalties

Documentation

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COBRA Extension

DOD Appropriations Act of 2010

Eligibility extended from 9 to 15 months

Eligible if terminated between 9/1/2008
and 5/31/2010

Payments received in 2010 for 2009
coverage must be claimed in 2010





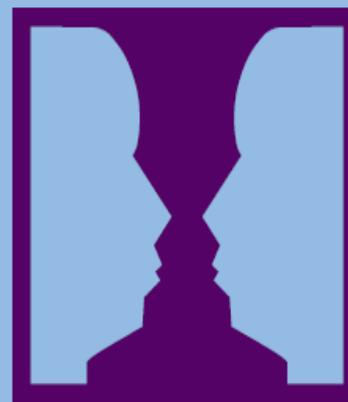
Worker Classification

Independent
Contractor

or

Employee

Independent
Contractor



or Employee . . .

Form W-4, Employee's Withholding Allowance Certificate

Changes for Nonresident Aliens

Notice 1392; Supplemental Form W-4
Instructions for Nonresident Aliens

Effective on or after January 1, 2010

Notice 2009-91



Form 941, Schedule R

New for 2010

Applies to IRC §3504 designated agents

Allocates tax liability for each client

Agents attach Schedule R to Form 941
when reporting on behalf of clients



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Topic	Search Word(s)
Basic Tools for Tax Professionals	basic tools
E-File Resources for Providers and EROs	provider resource
E-Services – Online Tools for Tax Pros	Eservice
IRS Stakeholder Partners' Headliners	headliners
Issue Management Resolution System	IMRS
Practitioner Priority Service	priority service
Stakeholder Liaison Local Contacts	SL
Tax Information for Tax Professionals	information for tax professionals

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