



An E-Publication from: *Kramer Weisman and Associates, LLP*

DECEMBER 2007

VOLUME 1, NUMBER 4

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Year-end Payroll Planning Tips

We are fast approaching the end of another tax year. So this is your “heads-up”.

Because most payroll strategies require payroll tax deposits, they must be considered before the last scheduled deposit for the year is made. Below is a list of a few items that you should consider during the last few weeks of this year. Your payroll company should be able to help facilitate these strategies. If you find resistance from the payroll company or handle your own payroll, we can assist you.

Did you miss or short any quarterly estimated tax payments? Consider paying yourself a year-end bonus with enough federal withholdings to eliminate estimated payment penalties. Withholdings are considered paid in **evenly** through the year, even if they are paid from your very last paycheck.

Did you maximize your retirement plan contribution? If you have a company plan, you can increase your last paycheck to include the additional amount you want withheld for your retirement contribution. The most common plans are SIMPLE IRA's, SEP's, and 401K's. Please check with us or your plan administrator if you do not know your plan contribution limits.

Does your S Corporation pay health insurance premiums on your behalf to a corporate policy? If you are a greater than 2% shareholder, the IRS prefers that you record the premiums paid for you and your dependents as W-2 wages. Also, premiums are only deductible to the extent of W-2 wages. You must take a paycheck from the S Corporation in order to deduct health insurance premiums.

Did you take distributions from the Company? Consider whether the amount of distributions taken is reasonable. The IRS is now scrutinizing distributions; please refer to our November 2007 newsletter for more information on this issue.

Kramer Weisman & Associates, LLP

Monthly QuickBooks Tip



By Suzanne Stabila Duffy, Certified QuickBooks ProAdvisor®

For frequently used reports you can, not only memorize them, but also save them as an icon in your Icon Bar. Simply create the report and then click on **View** in the menu bar. About five items down, you will see **Add “report name” to Icon Bar...** When you click on it, you will be able to select an icon and name the report.

Additionally, by right clicking on the right side of the Icon Bar, you can change the order of the icons, add new ones, and delete unused ones.