

# February Newsletter

We are in the full swing of tax season here at the office! We have seen or heard from many of you already and have a full calendar of appointments, so we thank you for getting your tax information to us so early in the season. We also know many of you are still in the gathering stage, so we look forward to helping you soon. This month's news is filled with important items to know.

## Direct Deposit Limits

In an effort to combat fraud and identity theft, the IRS announced new procedures effective January 2015 that limits to three the number of refunds electronically deposited into a single financial account or pre-paid debit card. The fourth and subsequent refunds automatically will convert to a paper refund check, which will be mailed to the taxpayer listed on the tax return. The direct deposit limit will prevent criminals from easily obtaining multiple refunds.

These new procedures will affect your family if multiple family members deposit their tax refund into the same bank account. If this affects you, please let us know.

## Check Your Refund Status Online

Typically, the IRS processes tax refunds within 4-6 weeks of receiving your tax return. Early in the season, it can be quicker, and later in the season it can be a little longer based on the volume of returns being processed. NYS typically takes a few weeks longer than the IRS.

You can check the status of your refunds online:

Federal: <http://www.irs.gov/Refunds>

NYS: <http://www.tax.ny.gov/pit/file/refund.htm>

## Are You Registered for the NYS Basic STAR Exemption?

In 2013, NYS passed new legislation requiring all homeowners receiving a Basic STAR exemption to register with the Tax Department in order to receive STAR exemptions in 2014 and subsequent years. This registration requirement is not satisfied by your original application to your local assessor. This news was shared with taxpayers via letters from NYS, our client newsletter, and local newspapers. We realize though that there may still be taxpayers out there that are unaware that their exemption may have expired. The Basic STAR exemption saves homeowners \$700 each year on average. The STAR exemption is available for owner-occupied, primary residences where the combined income of resident owners and their spouses is \$500,000 or less. For more information or to register for the STAR exemption, please visit NYS at [www.tax.ny.gov/pit/property/star13/default.htm](http://www.tax.ny.gov/pit/property/star13/default.htm)

## Attention Business Owners:

### Doing Business in More Than One State?

For a long time, "doing business in another state" simply meant setting up shop in a state other than your state of residency. These days, there's a lot more to it. Do you have customers in other states? Do you sell your goods online? Do you have an employee who telecommutes from another state?

The state where your principal business activities occur is where you should register your business. If you want to operate in another state, generally you should obtain a certificate of authority to do business from that state's Secretary of State. A certificate of authority usually costs about \$150, but can vary.

How a state defines business activities and what is considered "doing business" varies state to state. For detailed information on a particular state's requirements, contact that state's business registration office or state Secretary of State. Examples of what constitutes doing business in a state may include:

- Establishing physical presence by opening a new business location.
- Hiring employees.
- Soliciting business, which could mean using the Internet, mail, telephone, or print or media advertisements to conduct sales.

Many states will subject your business to state and local income and sales taxes. Due to budget strains, many states are now enforcing their laws in order to raise revenue.

Some states maintain a list of safe harbor activities that don't constitute "doing business." A type of activity that is often included on these lists is maintaining a bank account within a state's borders. However, many state statutes don't specifically define what they consider to be "doing business" in their jurisdiction. It usually depends on the facts of each case. Let us know if you think you may be doing business in more than one state. We can take a look at your situation and the possible state tax implications.

## Tax Deadlines Approaching

We would like to remind you that several tax deadlines are rapidly approaching. If you haven't already, please send us your tax information as soon as possible so we have sufficient time to prepare, review and properly advise you on your tax situation.

March 16th - Corporate Tax Deadline

March 20th - NYS Sales Tax Deadline

April 15th - Personal Income Tax Deadline, as well as the deadline for Partnerships and Calendar Year Trusts & Estates

As always, if you have any questions, or need additional information, please contact our office. Or, you can visit us at our website at [www.zulchtax.com](http://www.zulchtax.com) for other important information as well as back issues of our newsletters.