

2009 Deposit Requirements

Under the IRS simplified deposit and reporting requirements, each company is a monthly or semiweekly depositor. The IRS notifies a company each November as to its deposit status for the coming year. If a company does not receive notification, the company must determine its own deposit status based on the payroll taxes reported during the four quarters of the lookback period (explained below).

Lookback Period

Your deposit schedule for a calendar year is determined from the total taxes reported on your **Form 941** in the four quarter lookback period of July 1 of the second preceding year through June 30 of the prior year. These four quarters are your lookback period even if you did not report any taxes for any of those quarters.

Monthly Rule

Under the monthly rule, employment and other taxes withheld on payments made during a calendar month, must be deposited by the 15th day of the following month. An employer is a monthly depositor for a calendar year if the total employment taxes for the lookback period were \$50,000 or less.

New Employers

Generally, during your first year of operations you will be a monthly depositor. However, see the \$100,000 one-day rule.

Semi-weekly Rule

An employer is a semi-weekly depositor for a calendar year if the total employment taxes during its lookback period were more than \$50,000. Under the semi-weekly rule, amounts accumulated on payrolls paid on Wednesday, Thursday, and/or Friday must be deposited by the following Wednesday. Amounts accumulated on payments made on Saturday, Sunday, Monday, and/or Tuesday must be deposited by the following Friday.

Deposits on Banking Days Only

If a deposit is required to be made on a day that is not a banking day, the deposit is considered to have been made timely if it is made by the close of the next banking day.

A special rule is provided for semi-weekly depositors which allows these depositors at least three (3) banking days to make a deposit. For example, if a semi-weekly depositor has employment taxes accumulated for payments made on Friday, and the following Monday is not a banking day, deposits made by the following Thursday would be considered timely.

\$2,500/\$1,500 Rule

If an employer accumulates less than a \$2,500 Federal payroll tax liability during a quarter (\$1,500 for Minnesota), no deposits are required and this liability may be paid with the tax return for the quarter. However, if you are unsure that you will accumulate less than the above amounts, it would be prudent to deposit in accordance with the monthly depositor rules.

\$100,000 One-Day Rule

If the total accumulated tax reaches \$100,000 or more on any day during a deposit period, it must be deposited by the next banking day, whether an employer is a monthly or a semi-weekly depositor. For monthly depositors, the deposit period is a calendar month. The deposit periods for a semi-weekly depositor are Wednesday through Friday and Saturday through Tuesday. For purposes of the \$100,000 rule, do not continue accumulating employment tax liability after the end of a deposit period.

If a monthly depositor accumulates a \$100,000 tax liability on any day, it becomes a semi-weekly depositor on the next day and remains so for the remainder of the calendar year.

Quarterly Due Dates

Quarterly Federal and Minnesota payroll tax returns are due:

April 30, 2009
July 31, 2009
November 2, 2009
February 1, 2010

Under U.S. Treasury Department guidelines, **Lurie Besikof Lapidus & Company, LLP (LBLCO)** is required to inform you that (1) any tax advice contained in this communication is not intended or written to be used, and cannot be used by you, for the purpose of avoiding penalties that may be imposed on you by the Internal Revenue Service, (2) no part of any tax advice contained in this communication is intended to be used, and cannot be used, by any party to market or promote any transaction or matter addressed herein without the express and written consent of LBLCO (3) LBLCO imposes no limitation on any recipient of this tax advice on the disclosure of the tax treatment or tax strategies or tax structuring described herein, and (4) any fees otherwise payable to LBLCO in connection with this written tax advice are not refundable or, contingent on your realization of federal tax benefits from the advice contained herein.

	Social Security (FICA)*			
	2009*		2008*	
	Wage Base	Tax Rate	Wage Base	Tax Rate
Employer/Employee	\$106,800	6.20%	\$102,000	6.20%
Self-employed	\$106,800	12.40%	\$102,000	12.40%

*Plus Medicare tax of 1.45% for employer/employee on all wages; 2.9% for all self-employment income.

Federal Unemployment Taxes

If an accumulated liability reaches \$500, a deposit is due quarterly on or before the last day of the month following the close of the quarter. The tax is 0.8% of the first \$7,000 paid to each employee as wages during calendar year.

Minnesota Payroll Taxes

The State of Minnesota adopted the Federal deposit regulations effective January 1, 1994. Your deposit status for Federal and Minnesota purposes will be the same. There are three (3) exceptions:

- 1) Minnesota did not adopt the Federal \$100,000 rule;
- 2) If you are an annual filer for Minnesota purposes, you must make a deposit whenever your withholding balance exceeds \$500. The deposit is due the last day of the following month. Generally, these are small businesses with annual withholding of \$500 or less;
- 3) If \$1,500 or less in Minnesota tax was withheld in the previous quarter, withholding for the current quarter may be paid by the last day of the month following the end of the quarter.

Minnesota Unemployment Tax—Wage reports for each employee must include the number of paid hours worked. This is in addition to the name, social security number, and total wages paid in the quarter. For calendar year 2009, the taxable wage base will be \$26,000; the minimum tax rate will be 0.556%; the maximum tax rate will be 10.702%, both of which include the workforce enhancement fee of .10%. The rate for new employers and others not eligible for an experience rate will be 2.380% (9.7% for employers in the high experience industry). 25% shareholders may elect out of state unemployment taxes. As of July 2005, all reports must be filed online.

Deposit and Reporting Deadlines—If your tax payment is not received by an authorized depository on or before the due date when mailed, interest and a penalty will be charged unless you can prove the payment was mailed at least two days (Minnesota-one day) before the date payment was required to be made.

CORPORATE INCOME TAX DUE DATES

Tax Year End	Return Due Date	Federal Estimated Taxes			
		1 st QTR	2 nd QTR	3 rd QTR	4 th QTR
1-31	4-15	5-15	7-15	10-15	1-15
2-28	5-15	6-15	8-15	11-15	2-15
3-31	6-15	7-15	9-15	12-15	3-15
4-30	7-15	8-15	10-15	1-15	4-15
5-31	8-15	9-15	11-15	2-15	5-15
6-30	9-15	10-15	12-15	3-15	6-15
7-31	10-15	11-15	1-15	4-15	7-15
8-31	11-15	12-15	2-15	5-15	8-15
9-30	12-15	1-15	3-15	6-15	9-15
10-31	1-15	2-15	4-15	7-15	10-15
11-30	2-15	3-15	5-15	8-15	11-15
12-31	3-15	4-15	6-15	9-15	12-15

Minnesota due dates for 1st Quarter estimated tax payments are the same as the tax return due date. The remaining three quarters are similar to the Federal due dates.

MISCELLANEOUS

- Deposit Federal corporation income tax payments (and estimated tax payments) with a Federal Tax Deposit Payment Coupon **Form 8109**, unless you are required to make Federal tax payments electronically. See the following Electronic Federal Tax Payment System (EFTPS) section for more details.
- Mail Minnesota corporation estimated tax payments with Estimated Tax Voucher **Form M-18**. See EFTPS section for filing state payments electronically.
- Partnership and S Corporations are required to pay estimated tax payments if their Minnesota minimum fee is \$500 or more. Use Deposit Coupon **Form M-71** and **Form M-72** for Partnerships and S Corporations, respectively. See EFTPS section for filing state payments electronically.

ELECTRONIC FUNDS TRANSFER

Electronic Federal Tax Payment System (EFTPS)

You must make electronic deposits of all depository tax liabilities that occur after 2008 if the total of all your Federal tax deposits (such as deposits for employment tax, excise tax, and corporate income tax) in 2007 were more than \$200,000, or if you were required to deposit electronically in 2008. If you are voluntarily depositing electronically but your deposits did not exceed \$200,000, you may continue to do so or you may deposit with coupons.

Filing electronically does not change any due dates. This applies to all Federal taxes, not just payroll taxes.

For general information and instructions, contact the EFTPS Customer Service at **(800) 945-8400**, **(800) 555-4477** or **www.eftps.gov**.

In Minnesota

Businesses in Minnesota meeting the annual minimum dollar amounts listed below for one or more tax types are required to remit all tax payments using Electronic Funds Transfer.

Tax Type	Annual Amount
Sales and Use	\$10,000
Corporate Income Tax	\$10,000
Withholding	\$10,000
MinnesotaCare Taxes	\$10,000
Petroleum Taxes	No minimum
Cigarette/Tobacco	\$120,000
Alcohol	\$120,000
Distributor Tax (Pull Tabs)	\$120,000
Insurance Premium	\$120,000
Fire Insurance	\$120,000

*Filing electronically does not change any due dates and taxpayers are still required to file the proper tax return with the department. For general information and instructions, contact the **Minnesota Department of Revenue** at **(800) 570-3329** or on-line at **www.taxes.state.mn.us**.*

**Lurie Besikof Lapidus
& Company, LLP**

2009 Payroll Tax Guide

Tradition + Innovation

office 612.377.4404
fax 612.377.1325
address 2501 Wayzata Boulevard
 Minneapolis, MN 55405
website www.lblco.com

Accounting & Auditing | Tax | Technology | Private Investment Banking
 Actuarial & Benefits Consulting | Valuation & Litigation Leadership Group
 Entrepreneurial Services | China Strategies | LBL Technology Partners