

■ BUSINESS MEALS

We are often asked if business meals are deductible business expenses and if a receipt is enough documentation for the meal expense. Per the Internal Revenue Service code, entertainment expenses (including business meals) that are both ordinary and necessary in carrying on a trade or business may be deductible if they meet the directly-related test or the associated test.

Directly related entertainment expenses are those that took place in a clear business setting, or for which the main purpose of entertainment was the active conduct of business, and for which you did engage in business with the person during the entertainment period, and for which you had more than a general expectation of getting income or some other specific business benefit.

Associated entertainment expenses are those which are associated with your trade or business, and which are incurred directly before or after a substantial business discussion. In general, you can deduct only 50% of your business-related or associated meal and entertainment expenses.

A restaurant receipt is enough to prove an expense for a business meal if it has all of the following information: the name and location of the restaurant, the number of people served, and the date and amount of the expense. Additionally, you must make a note of the names of the people attending the meal and the business purpose of the meeting.

IRS Publication 463, Travel, Entertainment, Gift, and Car Expenses provides comprehensive information on allowable business expenses and proper recordkeeping. Visit <http://www.irs.gov/publications/p463/index.html> to view this publication online.

As with most tax matters, the details do make a difference. We advise you to consult with your tax professional to determine how to address your personal situation.

■ WHO CREATED THE IRS?

The answer may surprise you! In 1862, President Lincoln signed into law a revenue-raising measure to help pay for Civil War expenses. The measure created a Commissioner of Internal Revenue and the nation's first income tax. It levied a 3% tax on incomes between \$600 and \$10,000 and a 5% tax on incomes of more than \$10,000. The tax was repealed in 1872, and income tax was collected on and off in subsequent years. By 1913 the threat of war had solidified the need to levy taxes, and the first Form 1040 came into existence.

Visit <http://www.irs.gov/uac/Historical-Highlights-of-the-IRS> if you would like to learn more historical facts about the Internal Revenue Service.



■ EMERGE SERVES



EMERGESERVES
BUILDING FUTURE BOARD LEADERS

Edie Yates and Kathy Wallen will soon serve for the fourth time as Program Coordinators and speakers for EMERGE Serves, a comprehensive board service training program for young professionals.

The curriculum used for the course was developed by Edie Yates and Steve Baylis as a way to give back to the community by providing local charities with educated and enthusiastic board members.

The 10 hour EMERGE Serves program is taught in the Baylis & Company community room over the course of five weeks. The next program begins on September 17, 2013. There is no charge to participate in the training but applicants must be members in good standing of EMERGE Lakeland. Instructors for the course are well respected not-for-profit agency CEOs and Executive Directors, and community leaders. Graduates of the program are asked to complete service resumes which are added to a database. Agencies in our community can then access the database to find qualified and trained young people with a heart for board service.

Do you know of a young professional who would benefit from this training? Call Kathy Wallen at (863) 688-8841 or visit www.emergelakeland.com/serves/ to learn more. Applications are due by August 30, 2013, and class size is limited to 20 so please encourage anyone interested to act quickly!

■ AFFORDABLE CARE ACT EMPLOYER IMPLEMENTATION DELAYED

The US Department of Treasury announced recently that implementation of the Affordable Care Act (Obamacare) mandatory employer and insurer reporting requirements for employers with 50 or more full time equivalent employees have been delayed for an additional year. As it now stands, "employer shared responsibility payments" of up to \$3,000 per employee will not apply until 2015. However, there has been NO delay announced for the individual insurance mandate.

Visit <http://www.treasury.gov/connect/blog/Pages/Continuing-to-Implement-the-ACA-in-a-Careful-Thoughtful-Manner-.aspx> to read the full Treasury Department announcement.

■ CLOSING THOUGHTS

We thought it would be simple to find a few quotes from Abraham Lincoln to share. It turns out that Abraham Lincoln is one of those mythic beings to whom a plethora of quotations has been attributed. Further, it appears Abraham Lincoln AND Mark Twain seem to say the same thing quite often!

With that disclaimer we feel the following quotes can reasonably be attributed to Abraham Lincoln:

The ballot is stronger than the bullet.
Truth is generally the best vindication against slander.
Folks are usually about as happy as they make up their minds to be.

Please visit our website at www.bayliscpas.com

53 Lake Morton Drive · Lakeland Florida 33801 · 863-688-8841

