

■ CONGRATULATIONS TO OUR CFST

Did you know that the Florida Department of Revenue routinely audits businesses to determine if sales and use taxes are collected and remitted properly? Effective administration of the sales and use tax is often problematic for business owners, and penalties and interest for non-compliance can be daunting.

However, most Florida businesses have the opportunity to participate in the Certified Audit Program, a cooperative effort between the Florida Department of Revenue and the Florida Institute of Certified Public Accountants, to address outstanding tax liabilities in a manner which is mutually beneficial to both businesses and to the State of Florida.



How does the Certified Audit Program work? Qualified businesses voluntarily elect to participate and hire a qualified CPA firm to review their sales and use tax compliance.

Why should I consider participation? The Department of Revenue offers businesses three (often substantial) incentives: a waiver of all penalties, abatement of the first \$25,000 of interest incurred and 25% of additional interest due if taxes are owed as a result of the audit, and assurance from the Department of Revenue that taxpayers will not be audited for the same year(s) or tax covered by the certified audit unless fraud or misrepresentation is later found.

Is participation deductible? The cost of hiring a CPA firm to conduct the audit is considered a deductible ordinary and necessary business expense.

Who can conduct my audit? We are pleased to announce that Tracy Y. Kimbrough, CPA, has earned the Certified in Florida Sales and Use Tax (CFST) designation from the Florida Department of Revenue and our Firm is approved by the Florida Department of Revenue to perform this service.

Please be sure to contact us if you think that this service may be beneficial for your business. Our trusted advisors are ready to assist you with this or other tax or small business matters. Visit <http://www.bayliscpas.com/services/smallbusiness.php> to learn more about the services we offer.

■ DON'T LET BUSINESS MATTERS KEEP YOU UP AT NIGHT

Where will your business be in five years? Would strategic budget cuts in some areas improve your company's health? Are there ways you can boost revenue? If you're nearing retirement, is there a buyer or successor in the wings? These are the kinds of questions that keep many business owners up at night.

We are here to help you work through these kinds of questions so that you can rest easy. Our team of trusted advisors works with clients just like you all year long. We regularly act as coaches, guides and trainers for our business clients, helping them chart the best route to success. Visit <http://www.bayliscpas.com/services/consulting.php> to learn more about our consulting services. Please contact us today if we can be of assistance.

■ ARE SOCIAL SECURITY BENEFITS TAXABLE?

Our tax professionals are often asked if Social Security benefits are taxable. Of course, because the tax code is complicated we must often answer, "Well, it depends." You may be surprised to learn that up to 85% of your Social Security benefits can be taxable if they are not your only source of income.

The IRS suggests that taxpayers add one half of the total Social Security benefits received to all other income received for the year to determine an approximate taxable income. This figure should be compared with the "base amount" for your filing status to determine if you are above the threshold and if some of your Social Security benefits are taxable. (Most taxpayers who receive only Social Security benefits as income fall below this threshold.)

The base amounts, which are not inflation-adjusted, are \$32,000 for married couples filing jointly and \$25,000 for most other taxpayers except married persons filing separately who lived together at any time during the year.

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. To learn more about our tax services, visit <http://www.bayliscpas.com/services/taxfinancial.php>.



■ WAY TO GO, KASSANDRA!



We recently celebrated Kassandra Cook's graduation from the University of South Florida. Kassandra now holds a Bachelor of Science degree in Accounting, magna cum laude.

Kassandra is no stranger to academic excellence. She previously graduated as Valedictorian of her class at Polk State College Collegiate High School where she earned her Associate of Arts degree.

Kassandra has been a member of the Baylis & Company team since 2012 and we are so proud of her accomplishments. Visit <http://www.bayliscpas.com/professionals/krc.php> to learn more about Kassandra.

■ CLOSING THOUGHTS

The Social Security Administration provides all kinds of useful information and quite a few fun facts on their website. Did you know that Jacob and Sophia remained the top baby names in 2012? Visit <http://www.socialsecurity.gov/OACT/babynames/> to view the rest of ten most popular names for boys and girls.

Be sure to check out <http://www.socialsecurity.gov/> to see all the resources available online.

Please visit our website at www.bayliscpas.com

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