

THE SMALLBIZ BUILDER

Planning For Your Dreams



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- Why Did I Have to Give a Copy of My Driver's License to My Tax Preparer?

Let's Play!

In early 2017, the IRS updated the existing requirements for reporting gambling winnings from bingo, keno and slot machines. As you probably know, gambling winnings are taxed by the IRS. However, you may be able to offset some of the tax by claiming losses up to the amount of winnings as an itemized deduction. So be sure to keep track of all your betting activities, since only your winnings will be reported on Form W-2G, Certain Gambling Winnings.



The new regulations contain the following clarifications:

- Reportable winnings for bingo are winnings of \$1,200 or more from one bingo game without reduction for the amount wagered. All winnings received from all wagers made during one bingo game are combined.
- Reportable winnings for keno are winnings of \$1,500 or more from one keno game reduced by the amount wagered on the same keno game. All winnings received from all wagers made during one keno game are combined.
- Reportable winnings for slot machines are winnings of \$1,200 or more from one slot machine play without reduction for the amount wagered.

If you have income from gambling, give us a call to discuss how this will affect your tax position.

Community Involvement is Crucial for Growth

As a busy small business owner, you may think it'd be nice to be more involved with your community, but you just don't have the time. However, several studies have found that it's imperative for you to make the time for community involvement if you want to be competitive.

Community involvement gets your name out there and attracts the attention of potential customers who'll be inclined to think of you positively. Businesses can do a lot of good for communities, such as sponsoring events, offering free community meeting spaces, or volunteering for community improvement projects. Consumers want businesses to contribute to their communities and are willing to reward those that do.

Community involvement is good for your employees, too. Surveys have found that employees who can contribute to society or the environment while they're working are twice as satisfied with their jobs as those who can't. Also, volunteer work can hone and add skills to your employees' repertoires and increase teamwork.

So what are the steps to building a meaningful community involvement program? First, take a look around. What does your community need help with? What problems are your neighbors experiencing? Is there a high unemployment rate? Are school programs being cut due to lack of funding? Is the animal shelter overfull and underfunded? See what's needed and what you feel compelled to help with.

Now that you have a few causes in mind, consider what your organization can offer. The key is to find a cause and a contribution that fits with your business. For example, it would send a mixed message if you ran a fitness center and sponsored an eating contest. However, if your fitness center sponsored a 5K run-walk event for a local charity, that'd be a perfect fit. You may want to poll your employees to find out what causes or contributions they'd like to make. Chances are some of your employees already volunteer or donate to community causes in some way.

If you're unsure how your business can contribute, contact the charity or organization you're interested in helping – they'll most certainly have a list of ways you can help.

Why Did I Have to Give a Copy of My Driver's License to My Tax Preparer?

Your tax preparer may have requested a copy of your driver's license while gathering information for your tax return this past year. Some states now require tax preparers to collect information from driver's licenses as an effort to further authenticate taxpayers' identity and deter fraudulently filed returns. However, be aware that your driver's license number is considered just as important as your Social Security number so you should diligently protect that information!

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PADGETT BUSINESS SERVICES® is dedicated to meeting the compliance, profit & financial government reporting and payroll needs of businesses with fewer than 20 employees in the retail and service sector of the economy. This publication suggests general business concepts that may be appropriate in certain situations. It is designed to provide complete and accurate information to the reader. However, because of the complexities of the tax law and the necessity of determining whether the material discussed herein is appropriate to your business, it is important you seek advice from your Padgett office before implementing any of the concepts suggested in this newsletter.

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