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about year-end tax planning, and there are five significant tax regulations and credits they should evaluate before the New Year, according to Paychex.

Isaac M. O'Bannon • Dec. 11, 2013

With January only a few weeks away, business owners should already be thinking about year-end tax planning, and there are five significant tax regulations and credits they should evaluate before the New Year, according to [Paychex](#).

Whether or not Congress will address these and other related tax provisions before the end of the month isn't clear, so the company, which provides payroll, human resources, insurance and benefits solutions for small- to medium-sized businesses, has offered advice for small business owners to consider.

"2013 has been a year of numerous regulatory and legislative changes that have tax implications for business owners," said Paychex President and CEO Martin Mucci. "Paychex is dedicated to helping business owners understand these changes and the potential opportunities that exist for them to reduce their tax liability and save money. Fortunately, there is still enough time left in the calendar year for business owners to quickly consider the options available to them and determine if they can help their business."

The five tax tips identified by Paychex are:

- **Small Business Tax Credit**

Certain small business owners who offer health coverage to employees can apply for the small business tax credit to help offset the cost of premiums, and those who don't may now be able to afford it. Starting in 2014, the credit will be available to small employers who offer health benefits to their employees through the Small Business Health Options Program (SHOP) marketplace. Also in 2014, the amount

of credit available to small business owners will increase. On November 27, the

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- **Defense of Marriage Act**

The United States Supreme Court's ruling on the Defense of Marriage Act earlier this year has had a significant effect on many federal laws including those related to payroll taxes, health insurance, and employment. The effect on state tax withholding will vary by state depending on whether the state recognizes same-sex marriages and/or chooses to follow the federal rules. This change in the law will not only affect the taxable income of employees, it will directly affect an employer's tax liability because it is determined by the taxable income of employees. Individuals affected by this change also have the option to claim refunds and/or request adjustments due to overpayment of FICA taxes, and employers may be entitled to a refund of Federal Unemployment Tax Act (FUTA) taxes on wages paid to a legally married, same- gender spouse.

- **Establish a Retirement Plan**

If your business is considering starting a retirement plan, doing so before the end of the year is a good idea as it will allow you to write-off some of the set-up expenses and benefit from the tax advantages of any plan contributions. Businesses don't have to start contributing to these plans until 2014.

- **Business-Advantaged Tax Extenders**

If Congress doesn't pass legislation by the end of the year, several popular and beneficial business tax provisions will expire or be reduced in 2014. These include: accelerated Section 179 expensing for equipment, computer, software, and similar purchases; the 50 percent bonus depreciation; and the credit for research and development expenses. While these may be reconsidered by Congress next year, given the uncertainty in Washington, businesses may want to take advantage of the current provisions before the end of 2013.

- **FUTA Credit Reduction**

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These tips should be taken as general information only. Business owners and individuals looking for a more strategic way to minimize their tax obligations should discuss their specific situation with an experienced and credentialed professional, such as a CPA or Enrolled Agent.

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