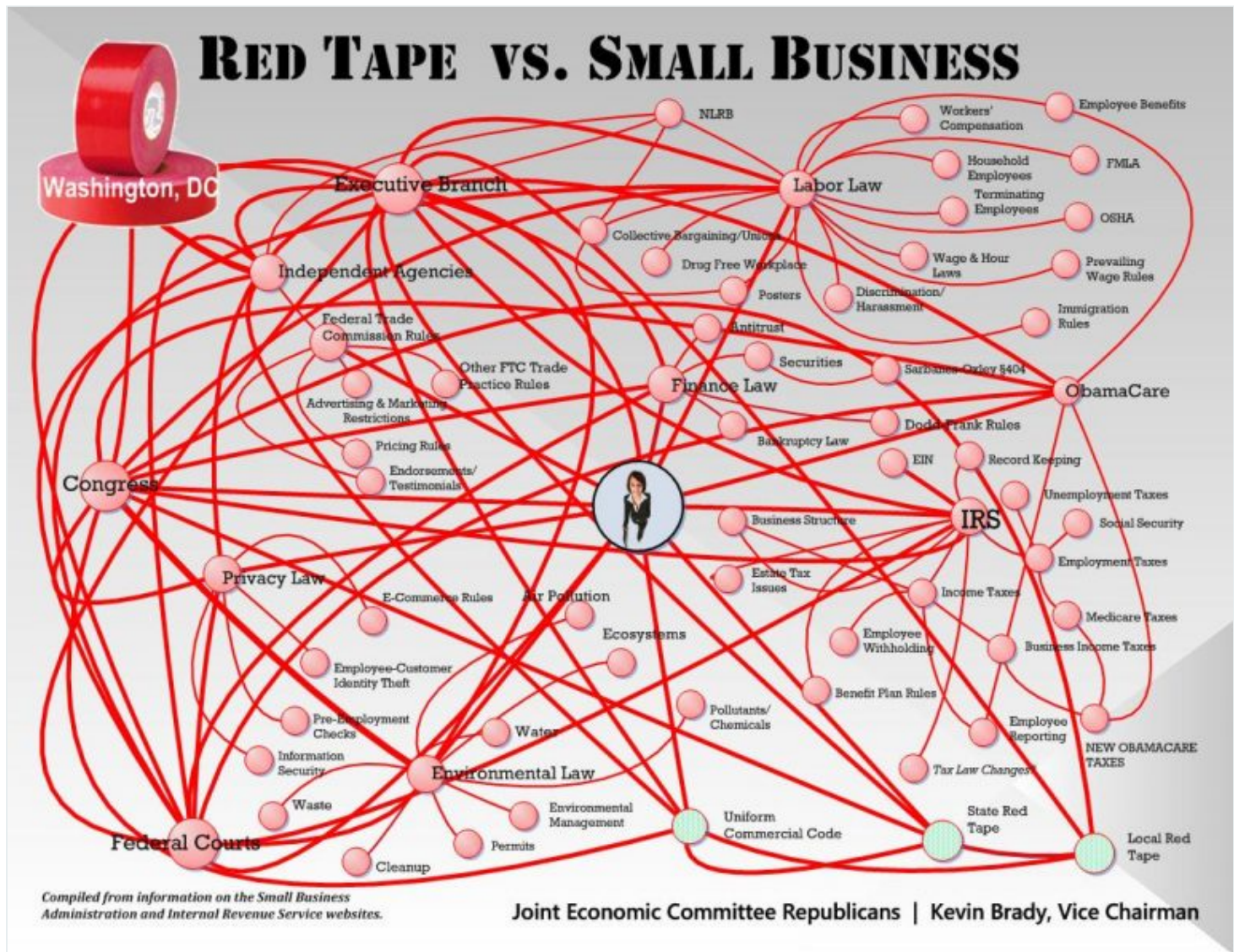


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their strategic plans for 2015. An important component of those plans should include monitoring potential regulatory changes and understanding how they may impact the small

Jan. 12, 2015



With the New Year in full swing, small business owners are focused on implementing their strategic plans for 2015. An important component of those plans should include

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outsourcing solutions for small- to medium-sized businesses, has offered its annual list of the top 10 regulatory issues that small business owners need to be aware of in 2015.

- 1. Tax Extenders and Tax Reform.** On December 19, 2014, President Obama signed the Tax Increase Prevention Act of 2014 into law. Approximately 50 tax breaks, known as “tax extenders,” were retroactively expanded through December 31, 2014. Some of these, such as bonus depreciation and accelerated expensing of certain asset purchases, are particularly beneficial to small businesses. IRS leadership has noted that despite the delay in the initial passage of the extenders, the tax filing season will start on time; however, due to budget constraints, the processing of returns and refunds may be affected. Additionally, the short-term extension could complicate a possible rewrite of the tax code in 2015. Business owners will want to monitor any tax reform developments for potential ramifications.
- 2. The Affordable Care Act.** The New Year brings additional responsibilities for businesses defined as Applicable Large Employers in the [Employer Shared Responsibility](#) (ESR) provisions of the Affordable Care Act (ACA). Applicable Large Employers will need to be prepared to meet new IRS mandates to file annual information returns with the IRS and provide statements to their full-time employees about the health insurance coverage the employer offers in 2015.
- 3. Taxation of Online Sales.** Taxation of online sales is likely to be an issue affecting many businesses this year. To level the playing field between brick and mortar retailers and online merchants, and respond to state concerns about lost revenue, the U.S. Senate passed the Marketplace Fairness Act in May 2013, which would have allowed states to collect sales tax on purchases made by state residents regardless of where the seller is located. The bill stalled in the 2014 session of Congress. Because of the amount of tax revenue at stake, businesses should expect this legislation to be resurrected this year.

4. **Immigration Reform.** President Obama announced late in 2014 his plan to use his

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proposed guidelines in the first quarter of this year to modernize and streamline the existing overtime regulations under the Fair Labor Standards Act. The revised regulations are expected to expand the number of workers eligible for overtime pay by increasing the minimum salary levels required for exempt status employees, and by expanding the duties defining “administrative” employees exempt from overtime pay. In the interim, employers are encouraged to review their employee classifications, focusing on job duties and salary levels for those workers classified as exempt. Employers should anticipate the potential need to track and pay overtime rates where applicable.

6. **Employment-Related Legislation.** Employers will need to remain diligent in their efforts to comply with new legislation in their jurisdictions this year. The trend of local and state governments passing minimum wage increases is expected to continue. In addition, hiring procedures and employment applications will need to be revised for employers in jurisdictions covered by “ban-the-box” laws that prohibit pre-employment inquiries into applicants’ criminal histories. Lastly, paid sick leaves and the tracking and notice requirements that go along with this benefit will require employers to review current sick day benefits and comply with what can be complex provisions in order to avoid violations.
7. **Privacy.** After some have called 2014 “The Year of the Data Breach,” there is a greater likelihood that in the upcoming 2015 legislative session, Congress will look to pass baseline cybersecurity legislation. Businesses should begin analyzing the relationships between technology and their customers’ personal data. Customer privacy should be appropriately protected through such means as secure networks, timely detection of malware, enhanced credit card security, and strong encryption. Businesses can expect increasingly vigorous enforcement actions from agency regulators following violations of Federal and state privacy laws.
8. **Retirement.** There are a number of developments coming, or currently under consideration, which may impact small business owners who currently offer a retirement plan to their employees, or are thinking about offering one. The U.S.

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unemployment claims in 2016. Employers in these states will continue to have their FUTA credit amount reduced as a way to pay back the outstanding debt. The [final list of credit reduction states](#) was published by the Department of Labor in November. Employers in the impacted states should plan to pay higher FUTA taxes for tax year 2015, due in January 2016, and may want to consider planning for the additional tax amount early in order to avoid an unexpected tax expense at the end of the year.

0. Banking Developments. With the surge in use of mobile payment applications such as Apple Pay™, businesses will also see the parallel move toward increased payment security and mobile payment acceptance. Small businesses should consider implementing technology that will allow them to accommodate these trends. Additionally, heightened regulatory pressures on banks to know the parties they are dealing with may result in increased requests for data from business owners or extended account-opening procedures. [Payroll cards](#) will also continue to be an area of focus in 2015, as several states are expected to introduce legislation relating to this popular method of pay. Employers should ensure their payroll card provider is up to speed on the evolving regulations in this area.

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