



December 29, 2010 ©

TAX FLASH

HEALTH INSURANCE NON-DISCRIMINATION RULES DEFERRED

The non-discrimination rules for non-grandfathered health insurance plans have been deferred until all the related departments can agree on how the regulations for this provision are to be written. (This should be an interesting process...) This means that businesses will not have to worry about providing the same level of benefits/employer paid coverage to all employees or facing a *confiscatory* penalty of \$100 per day per employee discriminated against....yet. According to the departments involved, it will not be required until a "specified period" AFTER the new regulations are issued -and nobody knows when this will be. Lately – being in limbo with regard to the tax laws has become the rule rather than the exception. Only in America!

FYI Just in case you want to write a letter - the "departments" include Treasury, IRS, Labor and Health & Human Services.

LATE TAX LAW BEGETS DELAY IN FILING RETURNS – BEGETS DELAYED REFUNDS.....

The IRS prepared many 2010 individual tax forms based on a presumption that the "Bush tax *changes*" (aka Bush tax *cuts*) would not be extended. Lo and behold they were wrong. Now – many forms which are necessary for millions of taxpayers will not be ready until mid to late FEBRUARY. For those of you who were planning on filing early to get a refund quickly – it's not going to happen if you have any of the following forms/credits/deductions in your return:

1. Schedule A – itemized deductions (*this one is going to hit a lot of people*).
2. The "above the line" deduction for college tuition and fees
3. The "above the line" deduction for teachers' out of pocket classroom expenses.
4. Many credits including the General Business Credit form 3800

REPORTING OF VALUE OF HEALTH BENEFITS ON W-2 – DELAYED

First – to clear up a misconception...The new requirement to report the value of health care benefits provided to employees on form W-2 does NOT mean the benefits are taxable. This seemingly minor intrusion by "big brother" and our other relative – Uncle Sam – was put there to let the government know not only how much a business is spending and whom they are spending it on – but if it's too much or too little in the opinion of those who get to make those decisions.

Since the IRS and the powers that be have so much on their plate right now - the reporting requirement has been delayed from 2011 to 2012 forms W-2 which will be issued in 2013. T However – if you want to divulge this info on your 2011 W-2s – you are free to do so. Nice Touch!

Quote of the day...."I have wondered at times about what the Ten Commandments would have looked like of Moses had run them through the U.S. Congress." Ronald Reagan