



CRISER | GOUGH | PARRISH

March 2007

Criser, Gough, & Parrish

Small Business Alert

“Working together for you.”

New Hire Reporting in Kansas

The Kansas Department of Labor requires that employers submit the following information for **each** newly hired, rehired or temporary employee **within 20 days of the hire date**.

Required EMPLOYEE Information:

- Employee's Name (please indicate first, middle and last)
- Employee's Address
- Employee's Social Security Number
- Employer's Hire Date

Required EMPLOYER Information:

- Company Name
- Company Address (Please provide address where Income Withholding Orders should be sent.)
- Employer's Federal Identification Number (FEIN)

Important! The New Hire Report (K-CNS 104) and the Quarterly New Hire Summary are **obsolete** and should not be used.

How to Submit Information

Employer may submit the required information electronically or submit a copy of Form W-4 by mail or fax.

Mail:

Kansas Department of Labor
ATTN: New Hires
401 SW Topeka Boulevard
Topeka KS 66603-3182

Electronic Reporting:

You may use the Kansas Department of Labor's web site www.uitax.dol.ks.gov to report new hires. It's easy and efficient!

Online you can manually enter each employee on the Web form or you can upload a file directly to the Kansas Department of Labor's system.

You can also mail the Kansas Department of Labor your new hires on a CD-ROM or a 3.5" floppy. Please check the file specifications on the web site.

Fax:

1-888-219-7798 (toll free)

Multi-State Employers:

Multi-state employers may elect to report new hires twice a month electronically to a single state. They must also notify the Department of Health and Human Services Department of Health and Human Services, Child Support Enforcement, PO Box 509, Randallstown, MD 21133-0509

For additional information:

Toll-free: 1-888-219-7801

Email:
newhires@dol.ks.gov

Web Site:
www.dol.ks.gov

(From K-CNS 435, Rev 11-06)

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Make Sure Your Self-Employed Medical Insurance Deduction Is Allowed!

In a recent private letter ruling, the Internal Revenue Service has ruled that in order for medical insurance premiums to be deductible as an “above the line” adjustment, a Sub Chapter S Corporation must purchase the insurance in the name of the Sub Chapter S Corporation, and *not in the name of the individual shareholder!*

In the case at hand, the shareholder was the sole owner and only employee of his Sub Chapter S Corporation. When he made arrangements to purchase medical insurance for his family, he purchased a policy made out in only his individual name. Because it was an individual policy and not a group policy for the business, the government disallowed the deduction as one “above the line” and required the taxpayer to deduct the medical insurance premiums as part of his Medical Expenses on Schedule A, thereby denying him the benefit of the “above the line” deduction.

If you are involved in a Sub Chapter S Corporation, stop what you are doing and immediately check the paper-

work of you policy. If appropriate, contact your insurance agent and have the policy reissued in the name of your Sub Chapter S Corporation, instead of your own. That is the only way you can assure yourself of the “above the line” deduction that Congress intended you to have!

While checking on this, it might not be a bad idea to check the details on loans and other items that might be disallowed because of some type of technicality. It’s bad enough to lose questionable deductions, but we certainly don’t want to lose deductions simply because we structured the transaction improperly.

(Source: Accreditation Council for Accountancy and Taxation)

Pursuant to federal regulations imposed on practitioners who render tax advice (“Circular 230”), we are required to advise you that any tax advice contained herein is not intended or written to be used for the purpose of avoiding tax penalties that may be imposed by the IRS.

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Return Service Requested

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