Coleman&Associates
Fully Integrated Tax, Accounting & Financial Services

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Important Dates:

March 17 – Due date for partnership and S corporation tax returns (Forms 1065, 1120S)

BOI Reporting – Update

On March 2, 2025, the Treasury Department announced that, with respect to the Corporate Transparency Act, not only will it not enforce any penalties or fines associated with the beneficial ownership information (BOI) reporting rule under the existing regulatory deadlines, but it will further not enforce any penalties or fines against U.S. citizens or domestic reporting companies or their beneficial owners after the forthcoming rule changes take effect either.

The Treasury Department will further be issuing a proposed rulemaking that will narrow the scope of the rule to foreign reporting companies only.

GoFundMe – Is It Tax Deductible?

Donations made to a personal GoFundMe fundraiser, rather than a charity fundraiser, are generally considered to be personal gifts and aren't guaranteed to be tax-deductible.

Only donations made to GoFundMe certified charity fundraisers are guaranteed to be tax-deductible and you will receive tax receipts automatically from GoFundMe's charity partner, PayPal Giving Fund. Donations to these fundraisers are collected by PayPal Giving Fund, a non-profit organization, and distributed to the designated charity.

If you made any donations via GoFundMe, we need a receipt from PayPal Giving Fund to include it as a charitable contribution deduction on your income tax return.

Scammers Up Their Game With AI

Scammers are becoming increasingly sophisticated, with more emails, phone calls and text messages crafted to look and sound like the real thing. This is often because thieves are adding artificial intelligence to its arsenal of tools to transform their tricks into messaging that genuinely looks like its coming from a person you know and trust.

Here are the top ways that scammers are using AI and what you can do to protect yourself.

How Scammers are Using AI

- **AI-Powered Phishing Attacks.** Phishing attacks have been around for decades, but AI makes them far more convincing. AI can analyze large amounts of data to craft messages that look and sound authentic, increasing the chances of tricking victims into clicking malicious links or providing personal information.

- **Deepfake Scams.** Deepfake technology allows scammers to create realistic videos and audio clips that impersonate real people. Some examples include fake videos of CEOs instructing employees to transfer money or of celebrities endorsing fraudulent products.

- **Generate Realistic Conversations.** Scammers are using AI chatbots that can hold realistic conversations with potential victims. These bots can appear very convincing while pretending to be customer service agents, a friend or family member, or even government officials. The goal is to trick you into sharing sensitive information or sending money.

- **Fake Profiles.** AI can scan all of a person's online footprint to create a realistic profile and social media accounts. Scammers then use these fake personas to try and steal information and money from you.

Protect Yourself from AI-Driven Scams

- **Be skeptical of unsolicited messages.** If you receive an email, text, or call from a company or person you don’t recognize, verify its authenticity before responding. Do this by contacting the company or person directly using official channels.

- **Use multi-factor authentication (MFA).** Constantly using MFA on every website you visit may cause some frustration, but it's nothing compared to the frustration you may experience if your identity or money are stolen. Even if scammers steal your password, they’ll need an additional verification step to access your accounts.

- **Verify identities.** If someone claims to be a friend, boss, or family member requesting money, first verify their identity through another channel, such as a phone call or video chat.

- **Look for red flags.** AI-generated scams often contain small inconsistencies—such as unnatural speech patterns in voice messages, slight facial distortions in deepfake videos, or unusual grammar in AI-generated texts. Trust your instincts and independently verify whenever you can.

Manage Your Business’s Unemployment Taxes

As a business owner, you’re required to pay three different types of payroll taxes.

1. FICA (Federal Insurance Contributions Act) is the tax used to fund Social Security and Medicare programs.

2. FUTA (Federal Unemployment Tax Act). Employers pay this federal tax to provide unemployment benefits to laid-off workers.

3. SUTA (State Unemployment Tax Act). State governments also collect taxes known as SUTA that finance each state's unemployment insurance fund.

While FICA may be easy to understand, unemployment tax calculations are easily misunderstood.

How FUTA and SUTA taxes are calculated

The FUTA calculation. The federal unemployment tax rate is 6% on the first $7,000 of each employee's income, regardless of where the company does business. In addition, employers who pay their state's SUTA taxes on time can receive a maximum credit of 5.4%, reducing the FUTA rate to 0.6%. Certain employee benefits—employer contributions to health plans, pensions, and group life insurance premiums, for example—are also excluded from the calculation.

SUTA taxes are more complicated. Tax rates and taxable thresholds (known as wage bases) vary from state to state, industry to industry, and business to business. In Oregon, for example, the first $54,300 of an employee's salary is taxed under SUTA. In Arkansas, that threshold is only $7,000. Illinois' wage base is $13,196 for 2025. In Oregon, a new employer is taxed at a rate of 2.4%, but more established businesses in that state have rates ranging from 0.9% to 5.4%. In Arkansas, the tax rate can range from 0.1% to 5.0%. In Illinois the rates range from 0.75% to 7.85%, with new employers starting at 3.65%. Other factors affecting your SUTA tax liability include the business's history of on-time payments to the state insurance fund and the number of former employees receiving unemployment benefits.

How to reduce your SUTA and FUTA tax bills

- **Hire cautiously.** If you employ someone who doesn't work out, you could end up with additional unemployment claims and a higher SUTA tax rate.

- **Train vigorously.** To increase productivity and reduce turnover, target your investment in continuing education. Keep employees happy and loyal. Again, high turnover leads to unemployment claims, which leads to bigger SUTA tax bills.

- **Terminate judiciously.** If you must reduce personnel, consider offering severance or outplacement benefits to terminated employees. The sooner they return to the job market, the fewer the unemployment claims that will be factored into your company's SUTA tax calculation.

- **Dispute carefully.** Take the time to verify the accuracy of unemployment claims, as bogus representations by former workers can drive up your SUTA taxes. If an employee was fired for gross misconduct and thus disqualifying himself or herself from collecting unemployment, have strong documentation to support the termination.

- **Pay regularly.** Under federal guidelines, employers who make their SUTA contributions on time can reduce the amount of FUTA taxes by up to 90%.

Remember, you do not need to navigate the complications inherent in filing your business taxes. They can be complicated and easily overlooked when you add things like sales taxes and income taxes.

As always, contact the office with questions by emailing us at info@colemancpas.com or calling 773-444-3100. We are here to help.