



Make Sure Your Business is on the Path to Comply with PATH

In December 2015, President Obama signed the Protecting Americans from Tax Hikes (PATH) Act. The purpose of the legislation was in part to protect businesses and individuals from tax fraud by lengthening the time the IRS has to review claims. The law also extends some tax credits for businesses and working families.

As part of the new legislation, employers will have to file their W-2 and certain 1099-MISC forms with the Social Security Administration by January 31. Prior to the PATH Act, employers had until the end of February to file the employer forms by paper and the end of March to file the forms electronically.

Employers can file a Form 8809 Application for Extension of Time to File Information Returns with the IRS by January 31 to be granted an extension.

The earlier filing deadline will give the IRS more time to properly evaluate tax returns and may make it possible for some tax returns to be released earlier. However, employers should also let their employees know that under the new law, some returns, particularly those that claim the Earned Income Tax Credit (EITC) or Additional Child Tax Credit (ACTC), will not be released until at least February 15, which may be later than some filers are accustomed to.

While working to comply with new timelines under the PATH Act, employers will also want to double check to make sure that they are in compliance with their state's workers' compensation and disability benefits laws.

Ensuring that actions are in compliance with IRS laws is essential, but can be challenging and time-consuming given the ever-evolving nature of tax laws. For assistance or to discuss your circumstances specifically, contact your Anchin relationship partner or a member of Anchin's Private Client Group at info@anchin.com.



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