

## Ohio's Minimum Wage on the Rise for 2009

In 2006, Ohio voters passed an Amendment to the Ohio Constitution which states that Ohio's minimum wage shall increase on January 1 each year by the rate of inflation based on the consumer price index—serving as a cost-of-living increase.

The Ohio Department of Commerce recently announced increases to Ohio's minimum wage, effective January 1, 2009. They are as follows:

### Employers with gross revenue of over \$267,000 for 2008

- General employees earn \$7.30 per hour (up from \$7.00 per hour)
- Tipped employees earn \$3.65 per hour—half the minimum wage rate (up from \$3.50 per hour)

### Employers with gross revenue of less than \$267,000 for 2008

- General employees earn the federal minimum wage rate of \$6.55 per hour
- Employees under the age of 16 also earn the federal minimum wage rate of \$6.55 per hour

*\*Please note that the federal minimum wage will increase to \$7.25 per hour, effective July 24, 2009.*

For questions or concerns about the Ohio Minimum Wage increase, please contact our office at 614-396-4200. ♦

WISHING YOU AND YOURS A  
SAFE AND PROSPEROUS 2009.



### Tools and Information:

- Included with this issue is the 2009 School District Income Tax List.
- Reminder: Commercial Activity Tax Filing Due Date is February 9, 2009—please contact our office at 614-396-4200 for assistance in filing your CAT return.

## \$10 Million in Funds Available for Older Worker Demonstration Grants

In 2003, President George W. Bush laid out the objectives for his ground-breaking approach at closing the skills gaps. He stated, "The High Growth Job Training Initiative in this administration is aiming to give workers the skills they need to realize their dreams. It's a collaborative effort to help team up people with the jobs that are needed, to make sure that the changes in our economy don't leave people behind."

In continuing these efforts, the U.S. Department of Labor (DOL), Employment and Training Administrations (ETA) recently announced that it has made available \$10 million in funds for Older Worker Demonstration Grants.

These grants will be awarded by way of a competitive process as part of the High Growth Job Training Initiative (HGJTI). The grants are aimed at addressing challenges faced by older individuals over the age of 55, in regional economies that recognize the value of older workers and make effort to employ and train this segment of the workforce to place these workers in jobs within high growth and high demand industries important to the regional economy.

Grants should focus on providing training and related services for individuals age 55 and older that result in employment and advancement opportunities in high growth and high demand industries. Selected applicants should represent local workforce, but others may apply. It is anticipated that the number of awards will range from 10 to 13, and from \$750,000 to \$1,000,000.

To apply, go to [Grants.gov](http://Grants.gov). If you would like to read more about this opportunity, go on-line to [www.doleta.gov](http://www.doleta.gov). ♦



## Taxable and Nontaxable Income

The IRS has compiled a list of what is taxable and non-taxable income. The list includes information on employee wages and fringe benefits, income from bartering, partnerships, S corporations, and royalties.

“Generally, any amount included in your income is taxable unless it is specifically exempted by law. Income that is taxable must be reported on your return and is subject to tax. Income that is non-taxable may have to be shown on your tax return but is not taxable.” To follow are some examples:

- **Constructively-received income.** You are taxed on income available to you whether or not it is in your possession.
- **Assignment of income.** Income received by an agent or representative on your behalf is income you have received in the year the agent or representative received it, and must be included as income.
- **Prepaid income.** Prepaid income, such as compensation for future services, is generally included in your income in the year you receive it. If you use an accrual method of accounting, you can defer prepaid income you receive for services to be performed before the end of the next tax year.
- **Fringe benefits.** Fringe benefits you receive in connection with the services you have rendered are included in your income as compensation unless you pay fair market value for them or they are specifically excluded by law.
- **Rent from property.** Generally, if you rent out property, equipment or vehicles for profit than it must be included as taxable income.
- **Partnership income.** A partnership is generally not a taxable entity. The income, gains, losses, deductions, and credits are passed through to partners based on a share of these items. You must report your share on your return whether or not they are actually distributed to you. An information (form 1065) must be filed, which demonstrated the partnership's operations for its tax year.
- **S Corporation income.** In general, an S corporation does not pay tax on its income—rather all income, losses, deduction, and credits of the corporation are passed to the shareholders based on each shareholder's pro rata share. You must report your share of these items on your return. The corporation must file a return on Form 1120S. This return shows the results of the corporation's operations for its tax year and the items of income, losses, deductions, or credits that affect the shareholders.
- **Royalties.** Royalties from copyrights, patents and oil, gas and mineral properties are taxable as ordinary income.

To review the entire list of taxable and non-taxable income, go to the [IRS.gov](http://IRS.gov) and click on *publication 525, Taxable and Nontaxable Income*. You may also contact our office at 614-396-4200. ♦

### Happy Whalen Anniversary!

Laura Wojciechowski—19 years  
Karen Botti—14 years  
Trish Callis—9 years

### Tax Season Extended Office Hours

Begins Saturday, February 7  
M–F 8am–5pm  
Saturday 8am–3pm

### Happy Birthday! (January)



Amy Chandler—12th  
Mary Ann McCool—12th  
Joan Deever—18th  
Karen Griffin—20th  
Ann Knouff—22nd

## Electronic Filing Requirements for Small Exempt Organizations— e-Postcard

Small tax-exempt organizations whose gross receipts are normally \$25,000 or less may be required to electronically file Form 990-N, which is also known as the e-Postcard. The exceptions are organizations included in a group returns; and churches, their integrated auxiliaries and conventions or associations of churches.

The filing requirement was added via the Pension Protection Act of 2006 to assist IRS in ensuring that potential donors to an organization would have access to current information about the exempt organization.

If an organization does not file an e-Postcard on time, the IRS will send a reminder notice but will not assess a penalty for late filing. If a tax-exempt organization should fail to file the e-Postcard for three consecutive years it will automatically lose its tax-exempt status. ♦