

# *The Bankler Report*

July 11, 2011

## INTRODUCTION

Recent IRS announcements and programs.

### **IRS Increases Auto Mileage Rates.**

The IRS has changed the standard mileage rates for automobiles. These amounts are cents per mile.

#### Mileage Rate Changes

Purpose	Rates 1/1 through 6/30/11	Rates 7/1 through 12/31/11
Business	51	55.5
Medical/Moving	19	23.5
Charitable	14	14

### **FUTA (Federal Unemployment Tax) surtax expired June 30.**

Beginning July 1, the 0.2% federal unemployment tax (FUTA) surtax is no longer in effect. The surtax was part of the 6.2% gross unemployment tax rate that employers pay on the first \$7,000 of wages paid annually to each employee (6% permanent tax rate, 0.2% temporary surtax). Employers need to separately track FUTA taxable wages paid before July 1, and FUTA taxable wages paid after June 30, since the FUTA tax rates are different during those two periods. Employers whose FUTA tax is more than \$500 for the calendar year need to make quarterly FUTA deposits. The next quarterly payment is due on July 31, but that payment is based on taxable wages earned through June 30, so it will be computed using the 6.2% FUTA tax rate.

### **Important Changes to Federal Tax Liens (Release and Withdrawal).**

In the past, taxpayers who had a lien filed by the IRS which was ultimately paid, settled, or otherwise satisfied would receive a release of the lien. The lien would typically remain on the taxpayer's credit reports for about 7 years. However, if you received a Lien Withdrawal from the IRS (an EXTREMELY rare occurrence), the lien was treated as a mistake by the IRS and the credit reporting agencies NEVER reported the lien or the release. The IRS now has a program where liens that have been completely satisfied can NOW receive a withdrawal. This program allows for withdrawal of liens previously paid. We can assist with this new program and have a previously paid lien withdrawn.