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Two new pieces of legislation, the “Jobs Bill” (Hiring Incentives to Restore Employment Act or HIRE) and Healthcare Reform, were just signed into law. Our firm is closely monitoring these for the most up-to-date information to help you stay informed and compliant with the new legislation.

HIRE Act – “Jobs Bill”

The key provisions of this bill include:

- Eliminating the 6.2% employer social security tax on eligible hires.
- A one-time business tax credit for retaining eligible employees for 52 consecutive weeks.

The following information is known from the IRS up to this point:

- The credit is for eligible employees hired after February 3, 2010, but only wages paid between March 19, 2010 and December 31, 2010 are eligible.
- A new Form 941 will be updated to account for the tax credits beginning with the second quarter form. First quarter wages and credits will also be reported on the second quarter form.
- Employers can reduce their federal deposit amounts throughout the quarter by the eligible employer social security tax amount, or they can wait to claim the credit on their Form 941 return.
- There will be a standard affidavit for employers to use for eligible employees. Employers may create their own version as long as the wording is identical to the IRS version. The attestation should be retained by the employer for possible future audit and not filed with the IRS.

Healthcare Reform

We will continue to follow the provisions of the healthcare bill. Some elements of the bill are slated to take effect within the next year, while others will take some time to implement.

We will provide information and assistance to you well in advance of the effective dates of the various elements of final legislation.

We Are on Top of the Situation

As further legislative provisions continue to emerge, be assured that we will remain apprised of these developments. Our firm works with industry leaders, such as Paychex, to constantly monitor changes in local, state, and federal laws that affect your business. We will keep you informed, so you can concentrate on running your business.