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GRAY ♦ PILGRIM

AND ASSOCIATES, LLC

SPRING SUMMER 2017

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4th Annual Golf Tournament

Make plans now to join us for our 4th Annual Gray ♦ Pilgrim Golf Tournament! Nice weather is right around the corner and what better way to spend a summer day than playing a round of golf. The tournament this year will be held at Whitetail Golf Resort on Friday, July 28th. Check in will begin at 8:30 with a scramble format Shotgun Start at 9:30.

Lots of prizes will be given for various accomplishments including longest drive, closest to the pin, and first place. New on-hole contests will be featured as well.

Cost for the day is \$50 per player or \$200 per team of four. If you are unable to get a team



If you're interested in a day of relaxing fun in the sun, be sure to fill out the registration form enclosed. Questions? Please feel free to contact Holly at 717-263-8713 or via email holly@gpallc.net. But hurry... registration deadline is June 28th. You won't want to miss it!

together, please let us know and we can get you set up with a team. Don't play golf? You can sponsor a hole for the day! Sponsorship is \$75 per hole. All money collected will go toward awesome prizes.



Sales and Use Tax by Ryan Stouffer

Are you in compliance with your state's sales and use tax laws? Many states are experiencing rising budget deficits and revenue agencies are finding sales and use tax audits to be lucrative revenue streams to make up their state's budget shortfalls. Unfortunately, with the burden of increasing regulations on today's business owners, sales and use tax is often

times the forgotten tax. This article describes sales and use tax and the two most common mistakes we encounter regarding these taxes.

Before diving into the details any further, we must first make the distinction between sales and use tax. Both taxes are a state tax on consumption of tangible personal property. The party responsible for paying

either tax will almost always be the final consumer, and the tax must be remitted to the state in which the property is being consumed. The only difference between the two taxes is this: sales tax is charged to the consumer by the vendor on the final sale of the property. Use tax is self-assessed by the consumer and remitted to the state because the vendor (cont. on page 2)



GPA can assist you with reporting new hire and rehired employee information



Dental services are not taxable, however items purchased for in-office sales could most likely be taxable.

New Hires

State and federal laws require all employers to report basic information on new and rehired employees within 20 days of hire; some states require it sooner. Go to the website below to select your state and find your new hire reporting website.

<https://www.acf.hhs.gov/css/resource/state-new-hire-reporting-websites>

Please contact us and let us know if you are filing for your new employee or if you need us to file on your behalf. If you have any questions or concerns, feel free to call our office at 717-263-8713 and speak with our Payroll Supervisor, Adele.



Sales and use tax cont.

did not charge sales tax when they should have. Use tax is the evil twin of sales tax. It's much less understood, and more commonly overlooked. Use tax was created to prevent consumers from being able to avoid paying state sales tax on items purchased from an out of state vendor. It has become increasingly pertinent and much more heavily scrutinized with the onset of online internet sales.

Sales and use tax can be extremely confusing for any business but it is particularly confusing for dentists. Why? Dental services typically are not taxable; therefore, many dentists don't concern themselves with maintaining sales and use tax compliance. Typically, states consider dentists to be the ultimate consumer; therefore, most of our clients are charged sales tax when they purchase taxable items such as office supplies, certain dental and lab supplies, equipment, etc. However, what happens when a dentist purchases items from an online or out of state vendor? If supplies are purchased from an online or out of state vendor and they are deemed taxable by the state, the dentist is responsible for self-assessing and remitting a

use tax if no tax was charged at the time of sale. This is the most commonly overlooked sales and use tax mistake we encounter with dentists.

When it comes to sales tax, many dentists think it applies to retail businesses only. As previously stated, dental services typically are not taxable; however, your practice could still be responsible for collecting and remitting sales tax. If your practice sells dental products such as toothbrushes, dental floss, mouth rinse or other over-the-counter tangible products, then you are most likely required to charge sales tax on those items. The second most common mistake we encounter is dentists not charging sales tax on items sold to patients at retail.

Are you in compliance with your state's sales and use tax laws, or, do you have questions regarding either tax? Give us a call.



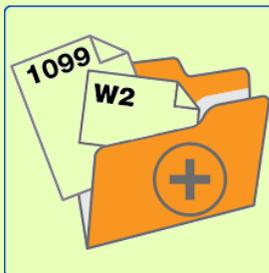
Not too soon to think about 1099's! by Adele Kirby

We talk a lot about 1099's throughout the year. But, we sometimes get lulled into only thinking of them in January when they are due when it really makes sense to think about them as the year unfolds to avoid the time constraints in January. What happens is that you try to get the vendor's Employer Identification Number (EIN) or Social Security Number (SSN) in time for the deadline, and you race against time to get it and many times miss it altogether risking high penalties.

The best circumstance is where you get their name, address and EIN / SSN before you pay for their services. Provide a W-9 form to fill out and return to you before they receive payment. This is the time when they are most motivated. So, take time now to identify those who will be needing 1099 forms and see if you have all the information. If not, you have plenty of time to gather it making it an easier task to complete.

Who gets a 1099?

If your business pays someone for services that exceed \$600 in a calendar period, then you should most likely generate a 1099. An exception is for *incorporated* businesses as they are not required to be issued 1099



forms. Attorneys on the other hand are to receive a 1099 regardless of whether or not they are a corporation.

The typical 1099 forms are generated for landlords for rent paid to them; subcontractors for services; services for equipment repairs; lab services; professionals such as attorneys, accountants, pension advisors, consultants and computer/software professionals. If you make payments to any of the above using PayPal or a credit card you are NOT required to report these payments on the 1099. They get reported by the card issuers in a different manner.

We are happy to file these forms for you but having their information timely greatly reduces the stress and overall cost of generating the 1099 forms. If you have any questions, let us know and we will find an answer for you.

Minimum Wage Increase

by Adele Kirby

With the federal minimum wage of \$7.25 an hour unchanged since 2009, many states have taken matters into their own hands and raised the statewide minimum wage.

Nineteen states raised their minimum wage so far in 2017, with increases as substantial as \$1.95 more an hour (Arizona). However, the raises in most states amounted to less than a dollar an hour — 10 cents an hour or less in seven states. When the state minimum wage rate is higher than the federal rate, employers are required to pay workers the higher amount. To see if your State or employees will be impacted by these increases, please refer to the chart to the right.

State	New Min.	Eff. Date
Alaska	\$9.80	1/1/2017
Arizona	\$10.00	1/1/2017
Arkansas	\$8.50	1/1/2017
California	\$10.50	1/1/2017
Colorado	\$9.30	1/1/2017
Connecticut	\$10.10	1/1/2017
Florida	\$8.10	1/1/2017
Hawaii	\$9.25	1/1/2017
Maine	\$9.00	1/1/2017
Maryland	\$9.25	7/1/2017
Massachusetts	\$11.00	1/1/2017
Michigan	\$8.90	1/1/2017
Missouri	\$7.70	1/1/2017
Montana	\$8.15	1/1/2017
New Jersey	\$8.44	1/1/2017
Ohio	\$8.15	1/1/2017
Oregon	\$10.25	7/1/2017
South Dakota	\$8.65	1/1/2017
Vermont	\$10.00	1/1/2017
Washington	\$11.00	1/1/2017



Unclaimed Property by Ryan Stouffer

What is unclaimed property?

Unclaimed property, sometimes referred to as abandoned property, refers to property that was lost, misplaced, or abandoned. Unclaimed property includes, but is not limited to, items such as uncashed payroll checks, customer overpayments and refunds, inactive savings or checking accounts, stocks, trust distributions, jewelry, coins, collectibles, items recovered from abandoned safe deposit boxes, etc.

How does unclaimed property pertain to your practice? Every state in the U.S. has an unclaimed property program to return unclaimed property to its rightful owner. Therefore, it's important you know where to look for the most common instances of unclaimed property.

Most unclaimed property we see with our clients is in the form of uncashed payroll checks, vendor checks, or patient overpayments or refund checks. Most often times, the checks are never cashed because the recipient did not receive the check. Usually they changed addresses and didn't notify your office, or the check was sent to an incorrect address due to a clerical error. Many times, a check is lost by the recipient, or, sometimes a vendor's business closes prior to receiving the check.



In instances like these, you, as the issuer of the check, are responsible for reporting this unclaimed property to your respective state unclaimed property

division. **A check that is to be reported as unclaimed property may not just be voided and added back to your bank account balance; rather, this check should be reported and paid to your state with an unclaimed property return.** Once the unclaimed property is turned over to the state, it is the state's responsibility to track down and return the property to its rightful owners. In Fiscal Year 2015, over \$7.7 billion was collected by government unclaimed property agencies. Of that \$7.7 billion, over \$3.2 billion was returned to its rightful owner.

Are you reporting your unclaimed property in compliance with your state's laws? Give us a call to find out how you can become compliant.

A Better Way to Invest—An Overview by Robert Walker Jr.

Investing can be a topic that sends many of us into panic mode. How can we make those decisions? Should we be making those decisions? Who can we trust? How does the whole marketplace work? Here are a few basics of investing that can start the process of understanding a proper manner of investing.

Control. David Butler, co-CEO of Dimensional Fund Advisors says very simply – “Control what you can control.” This is based on years of scientific research which shows that using evidence-based investing works by adhering to this very philosophy. Control fees and trading costs; control your tax efficiency and asset allocation; control your emotions during market fluctuations. Take control of your entire financial experience. Use the investment marketplace to help you get to your ultimate financial goals in life.

Managing Risk. Each investor has to determine what their own level of risk is. Risk is how you feel you can tolerate staying the course as you have chosen it without caving in and making a knee jerk reaction that you may regret later. This means that you may have a scary

downturn for an extended period of time that you simply have to weather and not make any changes. You have to accept rebalancing your portfolio even if you have to sell some excess stocks that are doing exceptionally well to keep your overall portfolio in check. Managing your portfolio can be an emotional task and it is good to work with professionals who can help you through the process keeping you on course.

Diversification is important in developing and managing your portfolio. Having a portfolio that utilizes US markets and global equity markets allows you to stay the course for the long term while still giving you control no matter how the market fluctuates. This allows you to ride out the fluctuations in the market that inevitably occur.

Discipline. Warren Buffett is a seasoned investor who says that “*Success in investing doesn't correlate with IQ. Once you have ordinary intelligence, what you need is the temperament to control the urges that get other people in trouble investing.*” We have all seen it happen and maybe we have done it ourselves that when the market goes up we buy stocks and when the market drops, we get nervous and we sell. This

shows a total lack of discipline and many opportunities are missed because of this behavior. Once you have a plan developed – stay the course – with only periodic rebalancing to keep in line with your predetermined goals.

Following the evidence is the way to keep from becoming too emotional in your options. When you base decisions totally on evidence which are founded on the long-term behavior of financial markets, you can continue to get solid returns for the long-term financial picture. This research leads to plans that minimize your risks and implement strategies that are tax efficient while keeping your overall portfolio diversified domestically and internationally making good use of fixed income which dampens volatility and still addresses the risk tolerance for each individual investor.

Just some basics that every investor needs to remind themselves of. Find the course and stay the course and utilize a professional to help you achieve your goals as you have defined them.

GRAY ♦ PILGRIM
AND ASSOCIATES, LLC

*4th Annual
Golf Tournament*

Join us for a day of golf on
Friday, July 28, 2017 at
Whitetail Golf Resort

13805 Blair's Valley Road, Mercersburg, PA 17236

8:30 Check-In

(Continental Breakfast will be provided)

**9:30 Shotgun Start
with a scramble format**

Lunch provided

ENTRY DEADLINE JUNE 28th

If you would like to sponsor a hole for \$75, please contact Holly at
717-263-8713 or holly@gpallc.net for more information. All money received
will be put into prizes. Various prizes will be given including longest drive,
closest to the pin, and first place.

REGISTRATION

Team Captain: _____

Player #2: _____

Player #3: _____

Player #4: _____

Team Captain Contact Information:

Phone: _____

Email: _____

Full payment of \$50 per player or \$200 per team is required with registration form. If you do not have 4 players, do not worry, we can help you put together a team.

Please make checks payable to “**Gray Pilgrim and Associates**”
Please return registration form and payment to:

**Gray Pilgrim and Associates
422 Epic Drive
Chambersburg, PA 17201**

If you have any questions, please feel free to contact Holly at 717-263-8713 or via email at holly@gpallc.net.

SPONSORSHIP

If you or your company would like to sponsor a hole for \$75.00, please complete the following and submit with payment to the address listed above.

Company Name: _____

Contact Name: _____

Mailing Address: _____

Phone: _____

Email: _____