



# **The Scoop**

## **Tax Update**

**IRS Accepts  
Facsimile  
Signatures**

### **IRS Announces It Will Accept Facsimile Signatures on Employment Tax Returns**

The IRS has issued a revenue procedure allowing corporate officers or duly authorized agents to sign employment tax forms by facsimile, including alternative methods such as computer software programs or mechanical devices. The Service expects that the new rules will reduce the administrative burden on business taxpayers by simplifying employment tax filing and lowering the number of returns rejected by the IRS because of signature issues.

The revenue procedure is effective for any of the designated forms filed with the IRS on or after July 1, 2005.

Under the revenue procedure "facsimile signatures"

- Any form in the 94X series, including but not limited to Form 940 (Employer's Annual Federal Unemployment (FUTA) Tax Return), Form 941 (Employer's Quarterly Federal Tax Return), Form 943 (Employer's Annual Federal Tax Return for Agricultural Employees), and Form 945 (Annual Return of Withheld Federal Income Tax)
- Form 1042, Annual Withholding Tax Return for U. S. Source Income of Foreign Persons
- Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips
- Any variant of these forms (e.g., Form 941c, Supporting Statement to Correct Information).

Under the revenue procedure, "facsimile" means "by rubber stamp, mechanical device, or computer software program."

Under the revenue procedure, "corporate officers or duly authorized agents' may sign any of the specified forms by facsimile.

**The person filing the form must retain a letter, signed by the officer or agent authorized to sign the return, declaring under penalties of perjury that the facsimile signature appearing on the form is the signature adopted by the officer or agent and that the facsimile signature was affixed to the form by the officer or agent at this or her direction.**

**The letter must list each return by name and identifying number. The letter should not be sent to the IRS unless specifically requested by the Service. Finally, the letter should be maintained for at least four years after the due date of the tax to which the return relates or the date the tax is paid, whichever is later.**

## **H-1B Visa Update**

**The U. S. Citizenship and Immigration Service has announced that the number of H-1B visa applications for fiscal year 2006 has reached its limit. The cut-off date for having applications submitted to the USCIS was August 10. Applications received before that date will be processed. The service will randomly select applications that were received on or after that date until the full limit of visas is reached. The congressionally mandated cap on the number of visas for FY 2006 – which runs from Oct. 1, 2005 through Sept. 30, 2006 – is 58,200. An additional 6,800 visas are set aside for the H-1B1 program under terms of the U.S.-Chile and U.S.-Singapore Free Trade Agreements.**

**There are, however a number of H-1B visas still available for fiscal year 2005. Under the H-1B Visa reform Act of 2004, 20,000 additional visas were made available for foreign workers with a minimum of a masters degree from a U.S. academic institution. Only 10,374 applications for the advanced degree H-1B have so far been approved or are pending.**

**H-1B visas are used by U.S. employers to hire temporary foreign workers for positions that require special advanced knowledge or training. Employers cannot hire foreign workers if there are available U.S. workers to fill the positions.**

# News from other states



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## Arkansas

Effective for tax years beginning on or after 1-1-06, an employer that has 250 or more employees must file Forms W-2, with the Department of Finance and Administration electronically on magnetic media, or in any other approved machine-readable form.

Also effective for tax years beginning on or after 1-1-06, an employer is required to withhold income tax from deferred income paid to an employee who is an Arkansas resident. The employer must withhold 3% from non-periodic distributions and 5% from eligible rollover distributions.

## Georgia

State withholding is not required from nonresident employees who work in the state for not more than 23 days during the calendar quarter, if the income for their in-state services does not exceed the lesser of 5% of their income from performing services in all places during the taxable year or \$5,000.

## Louisiana

Effective 6-9-05, an employer may pay all unpaid wages due to a deceased employee's surviving spouse or adult children. Previously, the maximum amount payable was \$6,000.

## Vermont

Effective 1-1-06, the minimum wage will increase to \$7.25 an hour from \$7.00 an hour. Beginning 1-1-07, the minimum wage will be increased annually based on the rate of inflation.

The minimum wage for a tipped employee remains \$3.65 an hour. Because the state minimum wage will increase to \$7.25 an hour, effective 1-1-06, the tip credit will increase to \$3.60 an hour from \$3.35 an hour.