



For Immediate Release

Contact: Gigi Thompson Jarvis
202.822.6232, x119
gjarvis@naea.org

The June 30 Tax Deadline: Action May Be Required

WASHINGTON, DC (June 16, 2011) Now that the April tax deadline has passed, the National Association of Enrolled Agents (NAEA) is advising taxpayers not to miss the upcoming June 30 deadline for performing a number of time-sensitive tasks. "Year-end' planning is a 'year-long' process when you consider the various action deadlines," advises Nancy Lyman, EA, an enrolled agent with Stevens Wilcox Potvin Cassidy & Jakubowski in Rutland, VT.

Amendments to cafeteria plans

The definition of "medical expenses" for employer-provided accident and health plans for over-the-counter drugs was revised, effective after Dec. 31, 2010. Expenses incurred for medicine or drugs are now eligible for reimbursement only in cases of prescribed drugs or insulin. An amendment to conform a cafeteria plan to the Patient Protection and Affordable Care Act requirements that is adopted no later than June 30, 2011 may be made effective retroactively for expenses incurred after Dec. 31, 2010, or after Jan. 15, 2011 for health FSA and HRA debit card purchases.

FBAR (Foreign Bank and Financial Account Report) filing extension

Each U.S. person who has (i) a financial interest in, or (ii) signature or other authority over any foreign financial accounts (including without limitation bank, securities, or other types of financial accounts) in a foreign country must report that relationship each calendar year by filing TD F 90-22.1 (Report of Foreign Bank and Financial Accounts, or FBAR) with the Department of the Treasury on or before June 30 of the succeeding year IF the *aggregate value* of these financial accounts exceeds USD \$10,000 at any time during the calendar year. IRS deferred the June 30, 2010 deadline for filing FBARs until June 30, 2011. This new deadline applies to FBARs reporting foreign financial accounts for the 2010 and prior calendar years.

First-time homebuyer tax credit for service members

Although the first-time homebuyer credit has expired, an extension has been made for service members (and, if married, their spouses) who served on qualified official extended duty service outside of the U.S. for at least 90 days during the period beginning after Dec. 31, 2008 and ending before May 1, 2010. The credit was extended to June 30, 2011 for individuals who entered into a written binding contract before May 1, 2010 to close on the purchase of a principal residence before July 1, 2011.

FUTA (Federal Unemployment Tax Act) surtax

The FUTA surtax is part of the 6.2 percent gross unemployment tax rate that has been in effect on a "temporary" basis since 1976. The 0.2 percent FUTA surtax is currently scheduled to expire on June 30, 2011. The surtax extension hasn't surfaced yet in Congress, although a proposal in the President's fiscal year 2012 budget would keep the 0.2 percent FUTA surtax in effect on a permanent basis and raise the annual FUTA wage base from \$7,000 to \$15,000 per worker beginning in 2014.

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About Enrolled Agents (EAs)

EAs are tax experts licensed by the Department of Treasury who must pass a background check and a stringent three-part exam on taxes to earn the credential. They are also required to complete many hours of continuing education to keep current on the constant changes to the tax code. You can locate an EA in your area in the "Find an Enrolled Agent" directory at www.naea.org.