

JONES COUNTY JUNIOR COLLEGE
SMALL BUSINESS DEVELOPMENT CENTER
A MEMBER OF THE MISSISSIPPI SMALL BUSINESS
DEVELOPMENT CENTER (MSBDC) NETWORK.
MSBDC has assisted Mississippi businesses since 1981

NEWSLETTER

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Special edition on: Tax Scams
February 2005 Issue
Director: Greg Butler
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1. Welcome From The Director
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It's getting close to tax time. The Mississippi Business Journal recently printed an article warning taxpayers of tax scams that seem to pop-up this time of year. With permission of MBJ, I have included this article in my newsletter for those of you that might not have seen it in the MBJ.

We have several "So You Want to Start Your Own Business" scheduled in the next few weeks. We have one in Columbia on February 15 and one in Hattiesburg on February 22. Call or e-mail if you or someone you know would like to attend. Also, we are trying to schedule a workshop in Waynesboro in the next few weeks.

---Greg Butler

NOTE:

Our subscriber list is NOT made available to other companies or individuals. We value every subscriber and respect your privacy. If at any time you wish to

cancel your subscription, simply type 'remove' in your return email address.

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2. BBB, IRS Warns of Continuing Tax Scams

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The Better Business Bureau (BBB) of Mississippi, along with the Internal Revenue Service (IRS), is reminding Mississippi taxpayers not to fall victim to a variety of tax scams.

"As we get deep into tax season, Mississippians should be careful to avoid becoming a victim to scam artists," said Bill Moak, president of the BBB of Mississippi. "These schemes not only cost you your hard-earned money, you could also get into serious trouble with the law in some cases."

A few scams reported in recent years include:

*****African-Americans get a special tax refund*****

Thousands of African-Americans have been misled by people offering to file for tax credits or refunds related to reparations for slavery. There is no such provision in the tax law. Some unscrupulous promoters have encouraged clients to pay them to prepare a claim for this refund. Promoters of reparations tax schemes have been convicted and imprisoned, and taxpayers could face a \$500 penalty if they do not withdraw the claim. Related scams include claiming an illegal tax credit by misusing Form 2439, "Notice to Shareholder of Undistributed Long-Term Capital Gains."

*****No taxes withheld from your wages*****

Illegal schemes are being promoted that instruct employers not to withhold federal income tax or employment taxes from wages paid to their employees. These schemes are based on an incorrect interpretation of tax laws. Employers are required by law to withhold employment taxes from their employees. Employers who do not comply with the employment tax laws may be subject to criminal and civil sanctions for willfully failing to pay employment taxes.

*****Improper home-based business*****

This scheme purports to offer tax "relief" but in reality is illegal tax avoidance. The promoters of this scheme claim that

individual taxpayers can deduct most, or all, of their personal expenses as business expenses by setting up a bogus home-based business. But the tax code firmly establishes that a clear business purpose and profit motive must exist in order to generate and claim allowable business expenses. This scam has been around for years, and the IRS continues to see activity in this area.

*****Identity theft*****

The IRS is aware of several identity theft scams involving taxes or the IRS. In one example, fraudulent operators sent bank customers fictitious bank correspondence and IRS forms in an attempt to trick them into disclosing their personal and banking data. In another, abusive tax preparers have used clients' Social Security numbers and other information to file false tax returns without the clients' knowledge.

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3. Quote of the Month
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“A fool and his money are easily parted.”

---P.T. Barnum

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4. Workshop Schedule
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SO YOU WANT TO START YOUR OWN BUSINESS

- Greg Butler, Presenter

Cost: FREE

Monday, 1:30 - 4:30 p.m.

(JCJC Campus, Forestry and Life Science Building, Room 206)

3/14

4/20

Tuesday, 9:00 a.m. – 12:00 noon

(Lake Terrace Convention Center, Executive Conference Room)

3/1

4/5

Tuesday, 6:00 p.m. - 9:00 p.m.
(JCJC Campus, Forestry and Life Science Building, Room 206)

3/9
4/12

Tuesday, 6:00 p.m. – 9:00 p.m.
(Lake Terrace Convention Center, Executive Conference Room)

2/22
3/22
4/26

*****SPECIAL*****

**SO YOU WANT TO START YOUR OWN BUSINESS
WORKSHOP**

-Greg Butler, Presenter
Cost: FREE

Pearl River Valley Opportunity Office
756 Highway 98 Bypass
Columbia, MS

Tuesday, February 15, 2005
6:00 pm – 9:00 pm

**SERVSAFE CERTIFICATION TRAINING
(JCJC Campus, Community Services Building)**

-Kathy St. Amant, Presenter
Cost: \$125.00

February 22 – 24
9:00 am – 4:30 pm

March 22 – 24
9:00 am - 4:30 pm

To register for any of these workshops, please call us at (601)
477-4235 or e-mail us at sbdc@jcjc.edu.

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5. Subscription Management
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You will continue to receive the Small Business Development Center Newsletter automatically. You may unsubscribe at any time by simply sending a reply with the message: "Remove from newsletter." Or if you received this newsletter from a friend or associate and want to sign up, simply send a reply with the message: "Please sign me up for your newsletter."

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6. Contact Information
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