



April 2013

Volume 2, Issue 4

Upcoming Events

*April 10, 3-7 PM,
SCORE, Bob Gerace
Improving Your Selling Skills
Eagle Vale Golf Club
Networking begins at 5
\$15
[REGISTER NOW](#)*

*May 8th
Towpath Café, 4-7PM
Speaker: Bob White*

*June 12th,
Towpath Café, 4-7PM
Speaker: Beth Sears*

*July 10th, 5-7
Networking Event*

*August 14th, 5-7
Networking Event*

*September 11th
School District Update*

*October
Business Expo*

President's Post

Tax Time—WIN WHEN YOU LOSE

It's a fact of business life that not every year is profitable. While the lean ones present challenges on how to pay bills, retain employees, and stay afloat, from a tax perspective, there is a silver lining to these unprofitable periods. You can use losses to save on taxes in your profitable years. Here's how to do it.

Net operating losses (NOLs) aren't separate, additional loss deductions; they reflect the fact that deductions, expenses, and losses from the operation of your business exceed your business revenues.

Only individuals and C corporations can have net operating losses. Partnerships, limited liability companies, and S corporations don't have NOLs. Instead, the share of the business's losses is passed through to owners who compute NOLs

on their personal returns.

Individuals have NOLs when adjusted gross income is a negative figure once itemized deductions or the standard deduction (but not personal exemptions) are taken into account. C corporations have NOLs when taxable income is a negative figure. Both individuals and corporations must run through specific calculations to determine the precise amount of an NOL, if any. This is because certain deductions allowed for regular tax purposes are not taken into account when figuring an NOL.

The purpose of an NOL is to allow a business (or owners of pass-through entities) to make use of the losses that cannot be claimed in full in the year in which the losses arise. An NOL can be carried back for a set period (explained below) and forward for up to 20 years. The purpose of the carryback: Use the NOL to offset income in prior

years and receive an immediate tax refund that can be used to provide operating capital for your business now.

Note: The carryback does not result in any reduction in or refund of self-employment taxes for individuals.

Usually, the NOL carryback period is two years. There is a longer carryback period in special situations (e.g., three years for NOLs resulting from casualty or theft, certain farming losses, or attributable to a federally declared disaster for a qualified small business).

You can opt to forego the carryback and simply carry all of the NOL forward. This may make sense if you believe you'll be in a higher tax bracket in future years (something entirely possible given the new 39.6% tax bracket for high-income individuals as well as the Medicare surtaxes starting in 2013).

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Business of The Month

The Bistro at Towpath Café was established in January of 2009 as a cafe featuring a place for community gatherings, light fare, and great coffee and expanded in May of 2011 to a full service restaurant, offering casual fine dining, party rooms, catering, and seasonal outdoor dining on the Canal. “We love to support the incredible Fairport community”, says Towpath Café owner,

Neil Clark, who moved to Fairport in 2003 and found the village to be an incredible place to live. When the opportunity to own a business in the village presented itself, Neal jumped at the chance. Towpath Café gives back to the community by donating time to many local charities, being involved in events like Canal Days, the Golisano music festival, and many other community events. Neal finds this gratifying as well as lots of fun. Towpath Café is looking forward to the busy summer season. There will be a new bar on the deck this year as well as TV's so customers can keep up on all the current events. A new menu is in the works keeping unique menu ideas flowing. Towpath Café has a great lineup of music on the deck this summer including a Skycoasters deck party. There's always something going on at the Bistro @ Towpath Café!

President's Post continued

Getting a quick refund

You can apply for a refund from the carryback years in one of two ways:

File amended returns for the carryback years (Form 1040X for individuals; Form 1120X for C corporations).

File for tentative refunds. Individuals use Form 1045; C corporations use Form 1139. This can be done within 12 months after the close of the loss year. The IRS says that this method produces a rapid refund, promising to process the application within 90 days.

Special rule for farmers and fishermen

These industries typically experience good and bad years, so the tax law has a special rule to help. Besides any net operating losses, these business owners (sole proprietors, partners, limited liability company members, and S corporation shareholders) can average their income, effectively evening out their highs and lows. More specifically, the income for the current year is averaged with the income from the three prior years (called "base years").

For more about income averaging, see the instructions to Schedule J, *Income Averaging for Farmers and Fishermen*, of Form 1040.

No one wants to have losses -- businesses are in it for profit. But the sting of losses can be diminished by using NOLs wisely to reduce some of the tax burden in profitable years.

Dr. Bonnie Chudyk, President

FROM "BIG IDEAS FOR SMALL BUSINESSES, INC

Member News

The Chamber Welcomes New Members

Summit Federal Credit Union
MAR-LAN Property Management

***Our thanks to Luke Photography
for hosting the networking event
on March 20th.***



April 10th SCORE Event

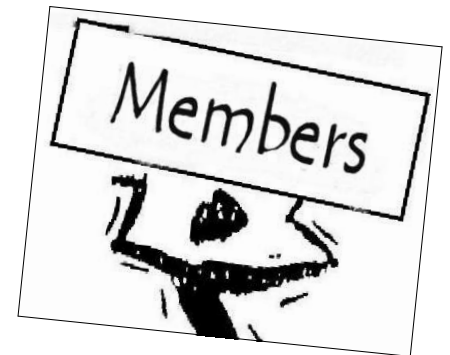
When you are talking to an interested customer face to face, on the phone, or on the internet, how good are you at selling and closing the sale? How would you rate your selling skills on a scale of 1-10? Would you like them to improve? If you do, you will want to attend this workshop. In just 2 hours, you will learn about personal selling styles and effective closing techniques.

4-7PM (Networking at 6)

Eagle Vale Golf Club, \$15

[REGISTER NOW](#)

The Chamber has made a **brochure rack** available to its members outside of the Chamber office in the Box Factory. Members are welcome to provide brochures or rack cards for their business (we suggest 50 or more) to be displayed. There is currently space available for your brochures. Materials should be sent to the Chamber office 6 N. Main. Street, Suite #107, Fairport, NY 14450 or bring them to the next Chamber meeting.



Your Chamber website

[VISIT SITE NOW](#)

**You can also reach the
Chamber at 586-9840**



Please let us know if you have business related news or accomplishments you'd like to share and we'll do our best to get it in print!

The Rochester Area Chambers of Commerce present

Health Care Reform:

What Small Businesses Should Know

The Employer Mandate in the Affordable Care Act

If you are wondering just what the Affordable Care Act means for you and your small business, then you should join us at this informative 90 minute seminar. Starting next year, employers will be expected to comply with the new law and we know many businesses have questions. How will the exchanges help my business? What are the tax credits available? Do I need to provide insurance to all employees? What notification requirements do I have? Join us to learn about the answers to these questions and more

Thursday, April 25, 2013

7:30 - 9:00am

Mario's Restaurant

(2740 Monroe Avenue)

\$20 per person (includes continental breakfast)

Please fax, email or mail this registration to the Rochester Business Alliance by April 19, 2013.

You may also register online for this under "Events" at www.RochesterBusinessAlliance.com

Cost: \$20 per person

Company _____

Address _____

Phone Number _____ Chamber/Org. Affiliation _____

Names of Attendees _____

Check Number Key Contact Email Address _____

Credit Card # _____ Exp. Date _____ Sec. Code _____

Return to: ROCHESTER BUSINESS ALLIANCE

*150 State Street, Suite 400 * Rochester, NY 14614 - Phone: 585-256-4614*

Fax: 585-244-4864 or Michele.Hefferon@rballiance.com

If you do not receive an email confirmation, please email Michele.

Registrants canceling after Monday, April 22 will be charged for the event fee. Cancellations must be made in writing. "No shows" will be billed also. Substitutions may be made at any time.