

Daniel Ayala, CPA  
Douglas Tribble, CPA  
Vaughn Tribble, CPA  
Heather Stone, CPA

**Tribble & Ayala**  
**Certified Public Accountants, Inc.**

571 Stanislaus Ave, Ste A  
P.O. Box 400  
Angels Camp, CA 95222  
(209) 736-4631  
Fax (209) 736-0207  
  
2686 McKenzie Ave  
P.O. Box 1020  
Arnold, CA 95223  
(209) 795-2311  
Fax (209) 795-4730

Dear Business Owner:

**CALIFORNIA ENACTS NEW LAW MANDATING PAID SICK LEAVE FOR EMPLOYEES**

If you do not already provide three or more days per year of paid sick leave to your employees, please take note of the new law. Beginning **July 1, 2015** most California employers will be required to provide up to 24 hours (3 days) of paid sick leave. An employer needs to have a minimum of only one employee. The law includes part time and temporary employees. Under the law, after 30 days of employment, employees will accrue paid sick leave at the rate of one hour for every 30 hours worked. Employers can limit the accrued sick leave to 24 hours per year. Unused sick leave can be carried over to be used in the next year. Employers can cap the employee's total sick leave accrual at a maximum of 48 hours (6 days). Employees can start using their sick leave after 90 days of employment. Employee notifications are required. Accrued sick leave must show on pay stubs or a separate document. If you need assistance with this requirement please contact our office.

**FUTA - ADDITIONAL TAX is 1.2% FOR 2014 – DUE 1/31/15**

California is a FUTA "Credit Reduction State" again for 2014. California owes billions to the federal government for loans to pay state unemployment benefits. Until California pays that debt the federal government is charging California employers more in FUTA tax. In 2014 there will be an additional FUTA tax of 1.2% on individual employee's wages to \$7,000. **This amounts to \$84.00 for each employee making \$7,000 or more.** This additional tax is due January 31, 2015 with your annual FUTA payroll report Form 940.

**MINIMUM WAGE INCREASE**

On July 1, 2014 California minimum wage increased to \$9.00 per hour. Another increase will occur on January 1, 2016 raising California minimum wage to \$10.00 per hour.

**SALES TAX – ARE YOU IN COMPLIANCE WITH CALIFORNIA SALES TAX LAWS?**

- Are you paying sales tax on all tangible merchandise sold?
- Are you selling taxable meals?
- Are you paying use tax on items purchased without paying tax and used by your business?
- If you deliver taxable goods in your own vehicle are you charging tax on the delivery fee?
- Are you aware that fabrication labor is taxable?
- Are you paying tax on samples sold to your customers?

If you are unsure contact our office for a sales tax checkup!

The California Board of Equalization has sent letters to many local business stating that they will be visiting businesses within our local zip codes and checking for compliance with sales tax regulations. Go to BOE website for information on this program [http://www.boe.ca.gov/sutax/SCOP\\_Overview.htm](http://www.boe.ca.gov/sutax/SCOP_Overview.htm)

**NEW SALES TAX PARTIAL EXEMPTION FOR MANUFACTURING**

There has been reduced sales tax rates for the purchase of equipment, machinery and parts for farming and ranching since 2001. **Now, as of July 1, 2014, manufacturing industries also get a reduced sales tax rate on the purchase of qualified manufacturing equipment.** The reduced sales tax rate for qualified manufacturing equipment is 3.3125% rather than 7.5%. **Please note that wineries qualify as manufacturing.** [http://www.boe.ca.gov/sutax/manufacturing\\_exemptions.htm](http://www.boe.ca.gov/sutax/manufacturing_exemptions.htm)

**REPORTING THE COST OF HEALTH CARE COVERAGE ON W-2 NOT REQUIRED FOR 2014**

Employers with fewer than 250 employees will have relief from reporting the cost of health insurance paid for employees on 2014 W-2 forms and for subsequent years until the IRS issues further guidance. Health insurance reporting is for information only and is not taxable.

### 2015 PAYROLL TAX RATES

**SDI RATE REDUCED TO 0.9% FOR 2015:** The SDI rate for 2015 is going down from 1.0% to 0.9% and the wage limit goes up to \$104,378. SDI withholding includes SDI (State Disability Insurance) and PFL (Paid Family Leave).

**SUI & ETT RATES FOR 2015:** EDD determines SUI rates annually. New employers' rate is 3.4% for up to three years. UI rate for experienced employers varies based on each employers experience and balance in UI fund. The maximum rate is 6.2%. EDD will be mailing notices to employers with 2015 rates. ETT (Employment Training Tax) remains .1%.

**FUTA RATES FOR 2015:** The FUTA (Federal Unemployment) rate has not been announced for 2015. For 2014 the rate during the year was .6% on wages to \$7,000.

**PAYROLL DEDUCTIONS:** The Social Security wage limit increases to \$118,500 for 2015. If you do payroll on your own computer, be sure to get your payroll update for the new 2015 tax tables. If you do your payroll by hand, use the new tables in the 2015 Circular E (IRS Publication 15) and 2015 California Payroll Tax Guide (DE44). These guides will not be mailed to employers. They are available online at [www.irs.gov](http://www.irs.gov) and [www.edd.ca.gov](http://www.edd.ca.gov). Quickbooks payroll requires users to set their new SUI rate each year. Please check the setting for your SUI rate and change for 2015 if necessary.

#### 2015 Payroll Tax Rates

<b>SDI Employee Only</b>	<b>0.9%</b>	<b>(X .009) on wages to \$104,378 (Max \$939.40)</b>
<b>Social Sec. Employee &amp; Employer</b>	<b>6.2%</b>	<b>(X .062) on wages to \$118,500 (Max \$7,347.00)</b>
<b>Medicare Employee &amp; Employer</b>	<b>1.45%</b>	<b>(X .0145) on all wages – no limit</b>
<b>Additional Medicare, Employee Only</b>	<b>.9%</b>	<b>(x.009) on wages &amp; SE income over \$200,000</b>
	<b>Note:</b>	<b>(6.2% Soc. Sec. + 1.45% Medicare = 7.65% FICA)</b>
<b>SUI Employer Only</b>	<b>Varies</b>	<b>On wages to \$7,000(to check your SUI rate <a href="https://eddservices.edd.ca.gov">https://eddservices.edd.ca.gov</a> scroll down to payroll tax rates)</b>
<b>ETT Employer Only</b>	<b>.1%</b>	<b>(X .001) on wages to \$7,000 (not all employers pay ETT)</b>
<b>FUTA (2014 Rate) Employer Only</b>	<b>.6%</b>	<b>(X .006) on wages to \$7,000 (certain requirements for .6% rate)</b>
<b>FUTA 2014 Credit Reduction Employer Only</b>	<b>1.2%</b>	<b>(x.012) on wages to \$7,000 (Due 1/31/15 with 940 Report)</b>

### **IRS STANDARD MILEAGE RATE:**

The IRS standard mileage rate for business miles driven in 2015 is 57.5 cents per mile. The 2014 rate was 56 cents per mile.

### **E-MAIL CONTACT INFORMATION**

Angels Office  
[connie@tribbleayala.com](mailto:connie@tribbleayala.com)  
[linda@tribbleayala.com](mailto:linda@tribbleayala.com)  
[monica@tribbleayala.com](mailto:monica@tribbleayala.com)  
[greg@tribbleayala.com](mailto:greg@tribbleayala.com)

[rachel@tribbleayala.com](mailto:rachel@tribbleayala.com) Admin. Asst. Angels

Arnold Office  
[heather@tribbleayala.com](mailto:heather@tribbleayala.com)  
[marcia@tribbleayala.com](mailto:marcia@tribbleayala.com)  
[debbiev@tribbleayala.com](mailto:debbiev@tribbleayala.com)

**Best wishes for a happy holiday season and a prosperous 2015  
from the Tribble & Ayala staff,**

*Angels Camp Office:*

Connie Pitta, Linda Blocher, Monica Tribble, Greg Cundari, and Rachel Olsen

*Arnold Office:*

Heather Stone, Marcia Kovacs, Debbie Vandiver

Please visit our website: [www.tribbleayala.com](http://www.tribbleayala.com) to view previous year's newsletters containing useful information.