



"Educating & Consulting The Private Club Industry"

January 2012

We hope that you find this brief newsletter of interest and that it provides you with useful and meaningful information. If you have any questions about any of the topics or issues, please do not hesitate to give me a call.



Club Tax Book Issues

Form 1099's – Time to re-evaluate your workers status? The question whether workers are independent contractors or employees is certainly not new, but lately it has prompted a significant amount of regulatory and audit activity. For over a year now, the IRS has been conducting a National Research project involving employment tax audits of 6,000 businesses. On September 19th Treasury announced that in conjunction with 11 states and the Department of Labor (DOL), it signed memorandums of understanding regarding information sharing, training, and coordinating law enforcement to level the playing field for complying employers and to protect employees' rights.

1984 was the last year the IRS did a comprehensive study of how many taxpayers misclassified their workers. It found that 15% of employers misclassified 3.4 million workers to the tune of \$1.6 billion in revenue lost from Social Security, unemployment insurance, and federal income taxes. Of those misclassified workers, 84% received a Form 1099-MISC from their employers but reported only 77% of their compensation due to deducting expenses to offset the self-employment income. The IRS found that 16% of companies misclassified workers and did not issue Forms 1099, and only 29% of that compensation paid was reported by the workers.

Annually, Clubs need to re-evaluate everybody it issues a Form 1099 to determine if that worker should continue to be classified as an Independent Contractor or reclassified as an employee, subject to payroll taxes. [Club Tax Book](#) provides a number of issues Clubs should read regarding independent contractors.

International Commodores Association



Academy of Yachting Officers & Professionals
February 23-25, 2012
Orlando, Florida

"The Academy of Yachting Officers and Professionals" is an intensive learning experience sponsored by the **International Commodores Association**. The Academy program includes everything a Yacht Club Officer or Manager needs to know in order to perform effectively in the complex and demanding world of Yacht Club's.

Yes, this golfer has been asked to speak to this distinguished organization regarding Club Tax Law. Think my experiences with the wooden johnboat in the creek in Stumptown, WV will help me with this group?

Click on the link www.academyofyachting.org to get all the details and the event schedule.

Club "It's All About Golf" Book

I'm still having fun challenging Clubs to think outside of the box. Why do we continue to do the same thing, year after year and expect different results? Insanity I believe it is called?

The latest blog I have placed on www.itsallaboutgolf.com deals with Golf Professionals greeting Members on the first tee and raising a question about golf guest minimums vs. food minimums.

I challenge golf because that is the area of the Club closest to my heart, but should not be seen as my only focus. If you are a Racquet Club or even if you have tennis courts, "It's All About Tennis" when visiting that area. The same types of questions should be raised everywhere. Is yours a Swim Club? "It's All About Swimming!"

Ponder this: If I cannot swim well, why would I consider joining a Swim Club? Now if you would teach me to swim as part of the deal, I may join!

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