

## TAX DAY Q&A WITH MARTIN THOMPSON, SENIOR ATTORNEY WITH FISHER AND PHILLIPS

News

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Martin Thompson was quoted in *Memphis Business Journal* on April 13, 2015. In the article "Tax Day Q&A with Martin Thompson, Senior Attorney with Fisher and Phillips" Martin provided insight into some common tax related questions.

### **How important is it for employees to file taxes correctly?**

Employees must file their W-2s or 1099s with their tax forms and include in their tax computations all the income indicated on the W-2s and 1099s. This same info is sent to the IRS from the employer, so the IRS can verify if the two sets of information match.

### **What are some of the problems/consequences faced when proper filing does not occur?**

Employees' failure to properly file may cause the IRS to levy fines and interest fees on the taxes not paid by the employee. Employers must accurately classify their workers as either employees or independent contractors. If a worker is misclassified as an independent contractor, when in fact he/she is an employee, the employer can be subject to fines, penalties and audits by the IRS and State of Tennessee Department of Revenue. Furthermore, the employer may be liable for back taxes, fines and penalties for failing to pay its share of FICA, FUTA and state employment taxes, and for failing to withhold from the employee's paycheck the required federal tax, and the employee's FICA and FUTA on W-2 income.

### **What tools and resources are available to aid the process?**

Individuals can contact the IRS by visiting [www.irs.gov/Individuals](http://www.irs.gov/Individuals). This site allows individuals to file for extensions, manage tax information, make payments, download necessary forms and view many other helpful tax-related sources.

To read the full article, please visit [Memphis Business Journal](#).