



THE STATE ASSOCIATION OF ACCOUNTANTS, AUDITORS, AND BUSINESS ADMINISTRATORS

**SAAABA's July Luncheon**

**Please join us:**

**When**

Thursday, July 26th

**Topic**

Fraud and Ethics

**Speaker**

Al Kimichik

**Where**

MDOT Building, Sleeping Bear & Pictured-Rocks Conference Room

**Time**

11:30-1:00pm

**Menu Choices**

Lunch Buffet- Taco Bar

**Cost**

Members: \$8.00  
Non-Members: \$12.00

*You will be charged for reservations made and not kept.*

For reservations, please contact Jean Ramsey at [saaabaact@saaaba.com](mailto:saaabaact@saaaba.com) no later than **July 23rd**.

NOTE: This program will qualify for CPE credit.

**Treasurer's Report**

SAAABA's funds are held on deposit at the State Employees Credit Union. Funds as of June 30, 2007 are:

CD's	\$6,380.52
Saving	\$ 67.62
Checking	<u>\$2,013.92</u>
<b>Grand Total:</b>	<b>\$8,462.06</b>

**Business News**

**Tax Gap**

The tax gap has been an issue for a long time although it is finally getting more attention now. What is the tax gap you ask? It is the difference between what taxpayers legally owe and what is actually collected. The difference is from underreporting of taxes which mainly stems from individuals understating their incomes, taking improper deductions, and/or overstating business expenses and erroneously claiming credits. To fix these issues the AICPA has proposed the following tax gap strategies:

- (1) Tax code simplification
- (2) Improving customer service
- (3) Improving information reporting and enforcement
- (4) Developing a long-range plan for research
- (5) Ensuring a more productive partnership between the IRS and the tax administration community
- (6) Placing more emphasis on personal integrity in making tax decisions.

For more information regarding this topic, please visit <http://tax.aicpa.org/>

**Business News Cont...**

**Michigan Business Tax**

On July 12, 2007, the Michigan Business Tax was enacted. The new law takes effect January 1, 2008. The MBT replaces the Single Business Tax (SBT) and is supposed to provide the same amount of revenue for the State. The new tax law provides tax cuts for more than seven out of ten Michigan businesses. The law is supposed to stimulate the economy by creating new jobs, and attracting new businesses. Also, this law includes a significant cut in the personal property tax rate for businesses.

The MBT is largely based on two components; a 4.95 percent business income tax and a .8 percent modified gross receipts tax. The way the tax is figured on businesses is new so most businesses are gearing up for lots of training so they are able to implement correctly.

For more information regarding this topic, please visit [www.Michigan.gov](http://www.Michigan.gov).

**Please Renew Membership!**

Please remember to renew your membership for FY October 2006-September 2007. The membership is only \$15 a year (+\$5 optional donation to a LCC scholarship fund) and you receive a complimentary meal at the annual meeting, and discounted prices at our monthly meetings and annual seminar. Please encourage friends and co-workers to join, also!! You can print an application form from [www.SAAABA.org](http://www.SAAABA.org).