







as well. If your company has vehicles it uses for service or deliveries, you'll also see reduced outlays for buying fuel to run them.

Companies in cold-weather areas of the U.S. may have paid less for heat this past winter, despite some frigid spells. You also may be paying lower utility bills as the heating season transitions to air conditioning months. Altogether, the steep drop in oil prices acts like a meaningful tax cut for many small businesses.

### Higher revenues

Making this good news even better, lower oil prices also act like a tax cut for your customers. If you deal with consumers, the money they're not dumping into their cars' gas tanks may wind up paying for your company's products and services. For certain types of businesses, lower gas prices mean that it's more likely that you and other company representatives will drive to see clients or prospects, resulting in increased sales.

Even if you don't deal directly with consumers, lower oil prices can have a ripple effect that brings in more



business. Lower costs might speed up real estate construction, for instance, which would help companies serving that industry. What's more, lower oil prices may keep inflation down, which could lead to continued low interest rates and a favorable climate for borrowing money to help your company grow.

### Troubled territory

As is often the case, falling oil prices produce losers as well as winners. If your customer list includes energy companies, you stand to lose business as those firms reduce capital spending, lay off workers, and so on. The same can be true if you have a local business serving an area that has prospered in the recent American oil drilling boom.

Nevertheless, most small companies stand to come out ahead

from lower oil prices. The extra profits might go to bolster your balance sheet, if it's still feeling the effects of the 2008–2009 downturn. Other uses of increased cash flow might include business expansion, improving customer service, paying bonuses to current employees to boost morale, and hiring more workers.

Will oil prices stay down or will they bounce back into triple digits? No one can say, just as few seers predicted the recent retreat in dollars per barrel. Apparently, worldwide slackening of economic growth along with increased oil supplies may hold prices down for a while. In any case, the possibility of relatively inexpensive oil should be in your company's current business plan, as well as ideas about what to do with any plumper profits.

Moreover, if you are expecting an increase in profitability because of lower oil prices (or for any other reason), you should review your estimated tax strategy to make sure you avoid underpayment penalties. ■

## TAX CALENDAR

### MAY 2015

#### May 11

**Employers.** For Social Security, Medicare, and withheld income tax, file Form 941 for the first quarter of 2015. This due date applies only if you deposited the tax for the quarter in full and on time.

#### May 15

**Employers.** For Social Security, Medicare, withheld income tax, and nonpayroll withholding, deposit the tax for payments in April if the monthly rule applies.

### JUNE 2015

#### June 15

**Individuals.** If you are not paying your 2015 income tax through withholding (or will not pay enough tax during the year that way), pay the second installment of your 2015 estimated tax.

If you are a U.S. citizen or resident alien living and working (or on military duty) outside the United States and Puerto Rico, file Form 1040 and pay any tax, interest, and penalties due for 2014. If you want additional time to file your return, file Form 4868 to obtain four additional months to file. Then, file Form 1040 by October 15.

**Corporations.** Deposit the second installment of estimated tax for 2015.

**Employers.** For Social Security, Medicare, withheld income tax, and nonpayroll withholding, deposit the tax for payments in May if the monthly rule applies.