

MBE Will Get You Set Early For Tax Season

Merchants Barter Exchange trading members won't have a major headache when tax season rolls around. MBE's staff is fully trained in IRS tax laws. In January, MBE members will receive their 1099-B; which displays the total dollar amount of sales. Merchants Barter Exchange trade software keeps track of all sales and purchases and sends an itemized statement each month. At anytime, members can fax their broker or mail their itemized transaction history that will list both sales and purchases. Before January 31st members will also receive a copy of the 1099-B.

COO Kim Chamberlain stresses "Don't get bogged down with all the accounting, MBE makes it simple for you. Their goal is to get you trading, so you are conserving cash and gaining an edge over the competition."

Barter currency, for the most part is treated the same as cash. If a merchant makes sales in trade, they count as income. If a merchant makes deductible purchases in trade, they count as deductions. With more businesses than ever pursuing the advantages of barter, it is necessary to consider the following IRS tax law which states: "A barter exchange is any person or organization with members or clients that contract with each other (or with the barter exchange) to jointly trade or barter property or services. The term does not include arrangements that provide solely for the informal exchange of similar services on a noncommercial basis."

Forms 1099-B are due by February 28, 2006 (March 31, 2006, if filing electronically). Failure to file can result in significant penalties (Internal Code Section 6721). The penalty is based on when you file correct information return. Quoted from: www.irs.gov the penalties are:

- \$15 per information return if you correctly file within 30 days (by March 30 if the due date is February 28): maximum penalty \$75,000 per year (\$25,000 for small businesses defined below).
- \$30 per information return if you correctly file more than 30 days after the due date, but by August 1; maximum penalty \$150,000 per year (\$50,000 for small businesses).
- \$50 per information return if you file after August 1, or you do not file required information returns; maximum penalty \$250,000 per year (\$100,000 for small businesses).

Merchants Barter Exchange began in 2000. Since then, the company has proven a six-year reputation of success, and in 2004 expanded into franchising. By using barter, you can generate significant new business while you conserve cash and clear out excess time, inventory, or capacity. Our motto is 100% trade, 100% of the time. Barter exchange eliminates the drawback of traditional one-to-one bartering. You can obtain goods or services from a member company even if they have no need for your goods or services. Unlike regional exchanges, Merchants Barter Exchange is national in scope, providing their members many more opportunities to trade. Members conduct their transactions with 100% Trade Dollars, and charge Trade Dollar prices equivalent to cash prices. This supports the value of the Trade Dollar and enables a solid exchange for both the buyer and seller.