

CRESSEY RICE TAX SERVICE

2017 FALL NEWSLETTER

GREETINGS!

The 2016 filing season is winding down as electronic filing closes after November 17th and will open again in January at the start of the 2017 filing season. If you still need to file back-taxes, take advantage of this opportunity to file electronically by November 17th, so that any refund due to you can be expedited, and any late filing penalties (if you owe) kept to a minimum.

Many changes are in proposal even to the 2017 taxes. All we can do is hold steadfast and maximize our deductions regardless of the news cycle. In the beginning of January 2018 we will send out our 2017 Tax Organizers and announcements regarding changes for the upcoming tax season.

You may have noticed our big change this past year. We are issuing invoices that line-itemize how we charge for the tax returns etc. We are striving to meet your tax needs in an even more thorough and professional manner and still offer reasonable prices. In order to do this, I need to have enough time to spend on each return. Starting with the April deadline, I am implementing a “no-discount” month for clients who send their initial documents and information the last month before the tax deadline. I am hoping that this will motivate you to gather your tax documents and information sooner than later so that we do not feel rushed. Of course, clients who agree to an extension and submit documents and info before September 15th, are still going to receive client discounts off of my pricing guide.

TRACK TAX DEDUCTIONS & KEEP RECEIPTS:

Don't wait until tax time to track deductions, gather receipts, or ask questions about what is/isn't a deduction. Big changes can make a big tax impact, too. Major changes include marriage, divorce, kids, college, owning a home, changing to self-employed, renting home, working on the road, or changing jobs. We would love to field your questions now. It's always valuable to keep a calendar for work or business travel, meetings and miles driven for work, business, volunteering or medical purposes.

REDUCE YOUR 2017 TAXABLE INCOME:

You may be able to decrease tax liability by making changes or purchases now:

- Consider maximizing your retirement contributions
- Pay for your health insurance through work
- Any solar energy purchases generate a 30% tax credit up to \$10,000 worth on the taxes
- Maximize your deductions based on your situation

REVENUE AGENCIES: COMMUNICATION, PENALTIES & INTEREST:

If you receive a letter from the IRS or State Department of Revenue please contact us ASAP and send us a copy of the entire letter. We can explain what the letter is about and help you with any required steps for resolution.

When taxes are owed to the IRS or State Department of Revenue, the due date for that amount is the April tax deadline. If we file an extension then the late-filing penalty is waived as long as we file by the October deadline. Interest will still incur during that time. If you unexpectedly owe and cannot pay upfront, you can request a waiver for the late payment penalty.

BEWARE OF TAX SCAMS:

Many scammers will call – **the IRS will NEVER:**

- Call to demand immediate payment using a specific payment method such as a prepaid debit card, gift card or wire transfer. The IRS does not use these methods for tax payments. The IRS will usually first mail a bill to any taxpayer who owes taxes. All tax payments should only be made payable to the U.S. Treasury and checks should never be made payable to third parties.
- Threaten to immediately bring in local police or other law-enforcement groups to have the taxpayer arrested for not paying.
- Demand that taxes be paid without giving the taxpayer the opportunity to question or appeal the amount owed.
- Ask for credit or debit card numbers over the phone.

CHANGE OF ADDRESS?

If you move the IRS is now requesting that you update your address right away instead of waiting for tax time. Please let us know your updated mailing address and we can help you with any state form requirements. Here's the form and instructions for the federal change of address: <https://www.irs.gov/pub/irs-pdf/f8822.pdf>

INHERITANCE QUESTIONS & ISSUES:

Every kind of inherited asset or money is treated differently. Please call Cressey with these questions – and if you're worried about the "Estate Tax" on top of individual inheritance tax issues – that's only on anything over \$5.45 million.

CRESSEY RICE TAX SERVICES:

- Individual & Business Tax Returns
- Individual & Business Tax Planning
- Tax Research & Advice
- Assistance and Tax preparation for:
 - Business Formation
 - Estates
 - Trusts
 - Non-profits
 - Audits
 - Offers in Compromise