

## CRTS Fall Tax Newsletter 2018

[www.cresseyrice.com](http://www.cresseyrice.com)

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### News Items:

Still have **un-filed taxes**? Electronic filing is the most secure and effective way to file, but it shuts down for a window of time from the end of November through the opening of tax season in January. We can still mail in tax returns at any time for any past year, but for a while there is no e-filing.

Waiting to file past taxes? You have **three years from the filing deadline to file and collect your refund/s due**. However, it doesn't work the other way around. Late filing and late payment penalties apply when you owe money on your taxes.

Filing an **extension extends your filing deadline**, but not your **payment due date of April 15<sup>th</sup>, 2019**. If you are not ready to file by April 15<sup>th</sup> and we figure you may owe money, it's a good idea to make a payment with your extension. We can assist with this no problem.

Wondering what your 2018 taxes are going to look like after the "Tax Cuts and Jobs Act" was passed last December? If you haven't had your **free planning session with Cressey** yet, please contact us for this complimentary tax analysis so that you're in the know.

Have you extended your **Health Insurance Coverage for 2019**? Not covered? You have until December 15<sup>th</sup>, 2018, to renew or set-up coverage that begins on January 1<sup>st</sup>, 2019. If your income is low enough, you qualify for free or reduced premium insurance. If you weren't covered in 2018, the penalty is per person/child on your return @ \$695/\$347.50 or 2 ½ % of your income over the filing threshold (between \$11,900 - \$21,000 depending on filing status). For 2019, the penalty has been eliminated. However, if you receive a reduced premium because your income is low, that is considered a tax credit, and has to be reconciled on the 2019 tax return.



Receive a **phone call or email** from the IRS or state department of revenue? **DANGER – this is FRAUD!** Do NOT open emails or stay on the line with the caller.

Receive a **letter from the IRS or a state department of revenue**? Please contact us/send us a copy of your letter ASAP so we can help.



## 2018 Taxes: How to Help us Streamline your Tax Prep Experience

#1 -- [Use our ProConnect portal to send documents and share information](#) regarding your tax return. This gives us both one place to ask/answer questions and share documents. Many of you utilized this for the 2017 taxes, and we LOVED it! Our January newsletter will have more information about using ProConnect.

#2 – If you choose not to use ProConnect, you can [still help us by sending ALL of your documents and information together at the same time](#). The other secure methods of sending your documents and information are through an **in-person meeting, Safe Send link, fax, or mail**. (If you are usually waiting for just one stray document that always arrives late, it's fine to send everything else together.)

#3 – For tax season, [Cressey's cell phone will now be used for emergencies only](#). Call the office phone or send an email with your questions or requests. She will be available for scheduled calls, or can answer if she is at the desk. Scheduling a phone call is much more effective for both parties.

## Tax Topic: LIFE-LINE OF A DEPENDENT CHILD

### **Child Tax Credit: Ages 0-16**

The income limits for CTC qualification have been raised, so more will be able to take the Child Tax Credit, now up to \$2,000/qualifying child.

### **Dependent Care Deduction: Ages 0-12**

Can deduct 20% of what you spend on qualified dependent care (day care/after school care) expenses, up to \$3,000 per dependent (making the max deduction \$600/child). If you spend over \$3,000/year/kid, it won't make any more of a difference on your return.

### **College Tuition Credits: HS Graduate – 23yrs old**

After High School, your young adult is still allowed to be a dependent on your tax return (regardless of their income) until they turn 24. As long as they are at least a half-time student for at least half the year, this means you can claim the allowable college tuition credits. For undergraduate students, there is an American Opportunity credit of up to \$2500 available for four tax years.