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## *Happy Holidays 2019!*

*Here are some important points and information for this tax season*

### **Item #1: Don't Wait to Start Your Taxes**

Because of the federal allowance for March reporting of investments, many people are waiting until very late in the season to drop off their taxes. If you are missing only a small piece of your tax information, bring them in to get started and just mark your "tax info sheet" that you are still missing XX. As long as we don't do the final print and proof, your cost is the same, and we aren't up against a hard deadline if we need to request any other information that you might be missing. Please aim to have all pieces of your tax return in by March 31st. Remember, if your taxes are prepared early, you do not have to pay them until April 15th.

### **Item #2: Goodwill Donation Values, etc.**

Under the new tax code, if you have very low or no mortgage interest, the standard deduction will probably be higher than itemizing your deductions. Send donations if you have them, Brian will make the determination. Look under "Useful Forms" tab on our website for the "donation" price list for your Goodwill items, etc. This is a basic guide as to what is GENERALLY claimed per item. Use your own judgment - if the item is particularly nice/expensive, put down your best guess.

### **Item #3: We need all of the info we needed last year (except "a" below)**

- a) We no longer need:  
PERSONAL INVESTMENT EXPENSES: safety deposit box, tax prep fee, investment fees  
**UN-REIMBURSED** EMPLOYEE EXPENSES: work related travel/transportation and meal expenses, specialty work clothes/footwear, uniforms, tools, union dues, professional societies dues, work education and subscriptions, expenses related to changing/moving jobs, Home Office – IF YOU ARE AN EMPLOYEE—THESE ARE GENERALLY STILL DEDUCTIBLE TO PERSONAL BUSINESS OWNERS.
- b) Personal Exemption: Standard Deduction = \$12,200 per single filer, \$24,400 filing jointly (in general, no one claims dependents any more—but we still need all of the information for tax form).
- c) Child Credit (age 16 and under): 2019 = \$2,000 per child (and it doesn't phase out until \$200,000/\$400,000 AGI).  
Non-child Credit (age 17 or older child/elderly parent/disabled child): 2019 = \$500 (You must be supporting and claiming as a dependent)
- d) State and local taxes are deductible only up to a \$10,000 cap. (eg. City or State Income tax, Property tax)
- e) Student loan interest still deductible to \$2,500

- f) Gifting Annual Exclusion: 2019 and 2020 = \$15,000
- g) Health Insurance – we need a copy of your 1095-A, B, or C

#### **Item #4: Extensions**

If your tax return must be extended we will do our best to give you an estimated tax to pay (if necessary)—in hopes of eliminating penalties and interest on what you owe. Your return is NOT FILED until you sign the 8879 and return it to us, even if you have paid in these pre-estimates with an extension. We must have the 8879 in our hands before we can e-file your return.

This year and going forward, we will require all extended tax returns to have the final, complete information in our office by 8/15 (preferably by 6/15, if possible), in order to finish your return. Regardless of the IRS deadline, plan to have your info. into us by the above deadlines.

#### **Item #5: Additional Personal Points:**

**College** - If your child is attending college and doing their own taxes this year, BE SURE that they don't file until we see your return information. The new tax code makes this tricky.

**Check your return on-line** / Check the progress of your refund on-line. [www.irs.gov](http://www.irs.gov), and [www.michigan.gov/iit](http://www.michigan.gov/iit) (individual) or [www.michigan.gov/bustax](http://www.michigan.gov/bustax) (business)

**Record Keeping and Privacy Policy** - no change since 2015, see the website for info. or ask Brian.

**Revised W-2** - If you received a Revised W-2 we need BOTH copies.

#### **Item #6: Additional Business Points:**

**Quickbook Files** – remember, if you provide a backup of Quickbooks, do not send the “Accountant’s Copy” or “Portable”. Send the normal backup. And we will need your Quickbooks password.

**Business Taxes - C Corp taxes** - reduced from 35% to 21%. **Pass-through businesses (SubChapter S, Partnerships, Sole Proprietorship, etc)** receive a 20% deduction subject to lots of limits (Brian will analyze these).

**Section 179** - \$1,000,000 on certain business properties. Bonus depreciation on new investments goes to full expensing for five years (instead of 50%).

**Business Meals** – Business meals only (unlike entertainment) are still deductible up to 50% subject to LOTS of limitations. Some specialized situations may be more deductible for businesses.

**Business Standard Mileage Rates** - 58 cents per mile for business in 2019 (changing in 2020, but not posted yet)

**Flexible Spending Accounts / 125-Plans** -The Medical Reimbursement portion is \$2,700 for 2019, \$2,750 for 2020