

National Tax Service LLC (in business since 1981)

400 Oak Street, Baraboo, WI 53913

(608) 356-7073

(608) 356-2549 fax

www.nationaltaxbaraboo.com

info@nationaltaxbaraboo.com

December 2018



"Tax season" once again !

Thank you for your business. We look forward to assisting you in the preparation of your 2018 income tax returns.

We have a dedicated group of preparers and staff with 71 years of combined tax preparation experience. We believe our customer service, face-to-face appointment approach, and reasonable fees make us an excellent value.

We look forward to seeing you soon and we still offer a \$5 Culver's gift card to clients who refer new customers.

Craig, Gary, Dale & Louise

What's New...

1. **Driver's License Numbers Required.** We must enter driver's license numbers on the tax return or your refund may be delayed.

2. **Mortgage Insurance Premiums (PMI)** are not deductible (same as 2017).

3. **The Affordable Care Act (ACA) or Obamacare.** The penalty for not having medical insurance is 2.5% of your taxable income or \$695 per person (whichever is higher). The penalty goes to \$0 for 2019. If you bought insurance through Obamacare you will receive Form 1095-A from the Federal Healthcare Exchange. We cannot do your tax return without Form 1095-A.

4. **Earned Income Credit (EIC), Child Tax Credit (CTC), College Tuition Tax Credit & Head of Household (HoH) Filing Status Documentation.** If these items apply to you, we are required to document your eligibility. Bring in the Social Security Cards for all children, some form of documentation that shows each child lived with you, and proof of tuition PAID in 2018. We will NOT e-file your tax return until we have documentation on file. You will also have to sign certification form(s). Call us if you have questions.

5. **Standard Deductions** are now almost double (Single

OFFICE HOURS

Monday, January 7 – April 16, 2019

Monday – Friday 9 a.m. – 5:30 p.m.
Saturday 9 a.m. – 12:30 p.m.
Other hours & evening appointments available on request.

The IRS has not announced the first day it will accept e-filed tax returns. We expect that start date to be around January 15 or 16. "Tax Day" is Monday, April 15th.

If you are sick, please reschedule your appointment.
If you can't make your scheduled appointment, please call and cancel.

Please try to leave infants, toddlers or preschoolers at home when you come in for your tax appointment.

\$12,000 and MFJ \$24,000) but there are no personal exemptions.

6. **The Child Tax Credit** is doubled to \$2,000 and there is a new \$500 credit for other/older dependents.

7. There are no **casualty loss deductions** unless the loss took place in a Federally declared disaster area.

8. **Investment accounts** (Edward Jones, Ameriprise, etc.) have until Feb 15 to issue your annual "Tax Statement".

9. Only members of the Armed Forces may claim a **moving expense deduction**.

10. **Un-reimbursed job costs**, mileage, union dues, etc. are no longer deductible.

11. A **Qualified Business Income Deduction** of 20% of profit/net rental income is available to business owners, farmers & landlords.

12. **Wisconsin Homestead Credit.** If you are under age 62 and not disabled, you must have earned income to claim the Homestead Credit. Earned income includes wages, salaries or self-employment earnings. You will have to document disability with a Doctor's statement.

13. **Refund Delays for EIC & Additional Child Tax Credit.** If you qualify for either of these credits, your refunds will not be deposited in your bank account until late February.

Not New, but VERY Important !!

1. If you have business, rental or farm income & you paid anyone \$600 or more you likely need to issue that person a **Form 1099-Misc**. These forms must be mailed to the individuals and the Federal/State Govt by the end of January. If you have employees, the same January deadline applies to **Form W-2**.

2. **Form 8332**. If you are not the custodial parent of a child you intend to claim as a dependent, you must have the custodial parent sign Form 8332 releasing the dependency exemption. We can complete the form for you.

3. **College Ed Credit**. If you have dependents in their first 4 years of college, in order to claim the related tax credit we must have Form 1098T from the college/university, and you must provide documentation of what was paid in 2018 for tuition, books and fees.

4. **Family Member Tax Returns**. Please don't let your high school and college student children file their tax returns until we do your tax return. The determination of who & what belongs on each return is not as simple as you might think.

5. **Scams**. The IRS & states do NOT communicate by phone or e-mail. If you receive threatening messages or calls, do not respond. Hang up. Never provide personal ID or account information in response to these scams.

6. **Letters**. If you receive a letter from the IRS or a State Dept of Revenue, open it, don't ignore it. We can help you respond.

7. **Both spouses must sign the tax return**. You CANNOT sign for your spouse. This is an IRS directive.

**What You Should Give Us...**

Our website contains the page "Prepare for Your Appointment" that has a very complete list of the documents you need to provide us. Here's a short summary.

- ✓ W-2's, casino jackpots (W-2G)
- ✓ Pension income (Forms 1099-R)
- ✓ Social Security income (the form with the pink box)
- ✓ Bank interest earned, dividend income. (Note: You won't get your investment statement from Edward Jones, Ameriprise, etc. until mid to late February.)
- ✓ Mortgage interest paid (one form from each lender)
- ✓ Direct deposit info - where do you want your refund sent?
- ✓ Property taxes paid in 2018
- ✓ 2018 Property tax bill - if you claim the Homestead Credit.
- ✓ Completed Rent Certificate (we have the blank forms)
- ✓ If you purchased items from out of state over the internet or by catalog or phone, the state expects you to pay sales tax on those purchases. Be prepared to give us a total of the purchases made, and we'll calculate the tax to be paid as part of your tax return.
- ✓ **Very Important:** If you did not have health (medical) insurance or bought insurance through Obamacare we'll need to know the income for all persons listed on your tax return.
- ✓ Health Savings Account (HSA) contribution amount. You can only claim a tax deduction for contributions you made out-of pocket from taxable income. Employer contributions are not deductible.

