

PRECISION TAX & ACCOUNTING SERVICES INC.

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Dear Clients:

Once again the New Year is fast approaching as well as another tax season. It's been a very exciting year for us here as we welcomed the birth of our new granddaughter in May. At the 6 month point, Ava Georgina, is thriving and doing wonderfully. Thank you to all of you who have shared in this blessed event over this period.

So one year of Trump as President and changes are on the way. I am sure we are all biting at the bit to see what changes will get passed. Congress continues to discuss last minute income tax bills as of the date of this letter, and you can be assured that we will stay abreast of all the latest changes as they occur!

In the meantime, it is very important to prepare for the upcoming tax filing so as to maximize all possible deductions which will allow for increased tax refunds. Some tax savings can still be accomplished this year by consolidating debt, contributing the maximum to 401K, 403B and IRA accounts, off-setting any capital gains with capital losses, setting up 529 plans for college savings, prepaying state estimated taxes and real estate taxes, giving extra to charity, contributing the maximum to HSA accounts and paying off medical expenses for any possible medical deduction.

Please note that there is a lot of chatter about eliminating or limiting some of these deductions for 2018, so if we can use the deduction by making a payment in 2017, it will save you tax dollars for 2017 that you might lose in 2018.

Please also remember deadline filing dates are as follows:

"S" Corporate Tax Deadline	March 15, 2018
"C" Corporate Tax Deadline	April 17, 2018
Personal Income Tax Deadline	April 17, 2018
Partnership Tax Deadline (LLC's)	March 15, 2018
1099 and W-2 submissions	January 31, 2018

If you cannot file by these dates, please notify us so that a proper extension can be filed. If there is a balance due on any return, it must be paid at the time of the extension to avoid penalties.

Electronic filing is mandatory and the preferred method of filing because it achieves many benefits. Direct Deposit of refunds is also preferential because it stops stealing of refunds from mailboxes, etc. So please verify your routing number and account number when preparing the returns. (Deposit slips and bank cards do not have the proper information on them). We can use the bank information for withdrawals and payments as well.

Also, for **New York State**, we must have your driver's license information for all titled taxpayers on the return if they have a Driver's license or Non Driver's license photo ID. Unfortunately, the information will not carry through from last year and we will need to know current information for those of you who's licensed expired or changed from the prior year. One more way that NYS is trying to prevent fraud. If we do not have it, they say it will delay your refunds.

The following items must be obtained before your returns can be completed:

.All W-2's (final pay stubs will only be used for FAFSA filings and estimated refunds),

.1099's, 1098's, (mortgage interest statements, college tuition statements) etc.

.Social security numbers and dates of birth for all dependents. Without a social security number there will be NO deduction and certain credits will be limited as well.

.For **dependent and child care deductions**, the social security or employer identification number and address for the person, school or business doing the caring. It is very important to have ALL information pertinent to allow the credit. You should be able to obtain this information at your child's facility.

.Stock Transactions: **Year End Reports (1099's) provided by brokerage companies**. If you have a managed brokerage account, please have your realized gain/loss reports with you at your appointment or in your mailed package. The brokerage houses have been mailing the statements later and also have been issuing many corrections to the original reports. I don't expect this year to be different.

.All **CLOSING STATEMENTS** for purchases of real estate, sales of real estate, home equity loans or refinances.

.If you take a **home office deduction**, please have available the total square footage of your home and the total square footage of the area used exclusively for your business. Please also have available the total of all utility bills (including water), repairs and maintenance, landscaping, home improvements, etc. as some of these expenses will be proportionately deductible against your income.

.If you take any **mileage deductions for work or business**, please have available the total mileage on the vehicle(s) for the year, amount which is commuting, that which is personal and the amount which is business. IRS wants to see the whole picture.

.New for 2017 Dependency exemption is up to \$4,050 per exemption.

.New for 2017 Standard mileage rate has been increased to 53.50 cents per mile;

.New for 2017 Contributions max to 401K, 457 & 403b is \$18,000 (\$24,000 over age 50)

Please see the attached list of items needed to prepare your returns. They do not all apply to every taxpayer but it is a good organizational tool.

When calling for an appointment, please remember that the office is open 7 days a week with few exceptions. I try to keep the night and weekend appointments for those who cannot possibly make it during the day. So if you can make it during the day at all, I would appreciate it if you would leave these appointments open for others.

Thank you.

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