



Season's Greetings and a Happy New Year to all of our clients

Greetings everyone. As we expected there are no changes to the tax law this year. However with the new Trump administration you can be sure next year will be different. Many predictions are being made but the general consensus is that there will be tax simplification and fewer tax brackets - all of which sounds promising. Lower taxes are also called for by Trump which is always welcome!! I do think that there will be significant changes in the area of healthcare and education.

For this year the IRS will be accepting e-filed returns on January 23rd. If you would like to bring in your tax information earlier we can submit returns remembering January 23rd is when they will start processing them. Again we anticipate a 10 day turnaround for most tax returns and encourage direct deposit for speedier refunds. Make sure your bank information is still the same.

Some of the issues from last year persist and have gotten more widespread. The IRS is cracking down on fraud which has increased mainly through the Earned Income Credit. We have been informed this year to possibly expect some delays in processing returns where there is a EIC and possibly where the history does not match previous returns. Also, we have seen cases where a social security number has been used to file a false return. When this happens the IRS gives the taxpayer a special pin # which is renewed annually and must accompany the return.

Many of you have received phone calls from persons claiming to be from the IRS and stating that there is some problem relating to a current or prior year's tax return. Please understand that the IRS will ONLY WRITE if they have an issue or query. They will NEVER CALL you. Therefore if you get one of these calls, and I have received them as well, just hang up the phone. The same goes for any state as well.

Generally speaking, you should be receiving your W2s and Social Security SSA 1099s. Pension plans and IRA 1099s are usually out by the middle of February and brokerage 1099s are allowed to be issued as late as mid March. Again, because of the complexity of the brokerage 1099s, we ask that they be dropped off ahead of time as the tax preparation is more complicated. For those Ameriprise clients that have signed the forms with Mark Colvin, this allows Diane to send me your 1099s if you prefer.

Healthcare. The tax penalty for not having any health insurance coverage is higher this year and is becoming significant at 2% of AGI or \$695 per adult, \$347.5 per child, capping at a max of \$2,085 per family. While Trump has said that he will replace Obamacare , my guess is that this will not happen as quickly as some people expect and these penalties may not be lifted anytime soon. For those taxpayers who do receive subsidies on their health insurance premiums, we need to see the Form 1095-A, the return cannot be filed without it. This form is mailed out to you or you can retrieve it online from the market place website.

Child Tax Credit. This will continue at \$1,000 per child under the age of 17 at the end of 2016.

Energy Tax Credit. This is a credit for energy efficient roofs, windows, doors, insulation, biomass stoves, water heaters etc. Any eligible work performed prior to year end will get a credit provided there were no previous credits, in which case they will offset. This credit is capped at \$500 lifetime.

Earned Income Credit. There is little change and taxpayers can get a credit for up to three eligible children.

College Tuition Credit. The partially refundable American Opportunity Credit has been continued, allowing for up to \$2,500 of credit against college tuition expenses actually paid during the year by the taxpayer either directly or through loans and reported on Form 1098-T as well as mandatory course materials and text books. It is advisable to keep all receipts for all purchases made for books and a computer.

Dependent Care Credit. This is still allowed for a percentage of child care expenses for children under age 13 and disabled dependents. If you have dependent care benefits reported on your W2 from work, then this credit is usually not available since the benefit showed up in your wages. Remember for daycare, we need the name, address and EIN# or Social Security # of the daycare provider.

This year I am happy to say that Bill Connors will be working again with Schuyler Tax Services. We are taking appointments for Bill, although dropping off the taxes for him is always preferable. Michele and Denise will be running the office again this year. Roscoe the office dog has a new companion Midge so we are all ready and looking forward to seeing you again.

Call 315-735-3684 for an appointment (1-800-978-4227 long distance)

Mailing address : Schuyler Tax Services LLC
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Email to : TENNANTTAX54@GMAIL.COM or Fax # 315-733-1278,
or drop off your tax papers to us at any time. We have a drop box by the office door for after hour use. Also you can reach us through our website

schuylertaxservices.com.

Thanks and we look forward to seeing you in the New Year.