



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

Greetings everyone! Well the promised changes to the tax code finally happened and will take effect after January 1st 2018. First let me focus on issues that concern this filing season.

Drivers License. As you know NYS requires all filers to provide driver license information and we are required to verify this information again this year so if your license changed or was renewed please make sure we have updated information.

Business Mileage deduction. For those who itemize and use unreimbursed business mileage as a deduction I would suggest looking into a tracking software such as Mileage IQ for keeping track. Also IRS are requiring some proof of beginning and year ending mileage - if possible schedule a service or oil change at year end where mileage is documented - as this question is being asked in audit situations.

Bank accounts. It is much quicker and more efficient to receive refunds by direct deposit to your bank account. Please ensure we check your account information and update us if there are any changes.

Tax Scams. Clients are still getting calls from people claiming they are from IRS and claiming that vast sums of money are owed from prior filings. Just hang up. If you get a letter from IRS or state then that is a true concern and please contact me.

Refunds. 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. If you are receiving an Earned Income Tax Credit your refund will be delayed until February 15th and this will affect the whole refund not just the credit portion.

2018 Tax year changes.

I would just like to review some of the income tax changes most likely to affect you.

Standard Deduction. This will effectively be doubled to \$12,000 if single, \$18,000 for head of household and \$24,000 for married couples. Thats the good news. Bad news is that the personal exemption of \$4,050 is eliminated.

Itemizing. You can still still itemize your deductions but there are new limits. Property taxes, sales tax and state income taxes are being capped at \$10,000. Mortgage interest is allowed but not for home equity loans, building loans or line of credit interest. Medical expenses and charitable donations are not much changed.

The child tax credit will be doubled from \$1,000 to \$2,000 and it will be made available to those with higher incomes. The first \$1,400 is refundable while the remainder is a credit against tax owed. A new credit of \$500 for non-child dependents will be available for elderly parents or adult children with a disability. The Earned Income credit will also be available.

For those who pay AMT tax the threshold has been raised to taxable income of \$70,300 for singles or \$109,400 for married couples.

Alimony will no longer be deductible or need to be claimed by the recipient.

Moving expenses, Tax preparation expenses, unreimbursed employee business expenses, and other miscellaneous expenses will all no longer be deductible. The Obamacare penalty for not having health insurance will go away but not till 2019.

Tax rates will also be a little lower and this will begin to show in 2018 as it is expected that take home pay will be increased when the lower rates will begin to take affect on payrolls.

Generally speaking, you should be receiving your W2s and Social Security SSA 1099s in January. 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 but it would save time if you dropped these off or mailed them with your tax papers.

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.

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

Mailing address : Schuyler Tax Services LLC
2502 State Route 5
Utica, NY 13502.

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.