



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

**So we went through the tax law changes from last year by and large unscathed but I would like to highlight some of the issues that arose.**

**Lower Withholdings.**

First of all most of our clients experienced a slightly better outcome as a result of the tax law changes. However because of the changes in the withholding tables which decreased your withholdings, some clients owed tax as a result of being under-withheld. We reviewed this and corrected it with a revised W4 to your employer so those clients should expect a better outcome as a result for this year.

**Itemized Deductions.**

So the new tax law does make it much more difficult to itemize. The standard deduction was effectively doubled so for the coming year a Single person gets a \$12,200 standard deduction, Head of Household gets \$18,350 and Married Filing Joint gets \$24,400. So, with the \$10,000 cap on property taxes and state income taxes combined, the end result is that itemizing for married couples becomes really quite hard BUT itemizing for single filers is still quite possible.

**The main difference however was the elimination of miscellaneous itemized deductions by the IRS.**

So for example many of you who are employees and receive a W2 can no longer write off your mileage, meals, travel and other business expenses that are not reimbursed by your employer. However New York State does still allow these deductions if you are able to itemize on your State return. Bear in mind the lower tax rate for the State makes it less rewarding and more importantly .... **NYS appears to be auditing those deductions – mileage, meals etc which is time consuming. Employees need to get a letter from their employer stating that the expenses in question are not reimbursed and you need to provide a log showing trips, mileage, dates etc.**

**Medical health insurance.**

So for 2019 it is no longer required to have evidence of health insurance coverage. Good news !!

**Home Equity interest.**

For those clients that are able to itemize please be aware that home equity interest is **not deductible** unless it is specifically used to buy, build or it is used for home improvement. Regular mortgage interest is still deductible.

## **Tax Filing season starts on January 28<sup>th</sup> this year.**

We can prepare your taxes before then but they cannot be e-filed until January 28<sup>th</sup>.

Now here are some general points.

- 1) Make sure you bring in your Drivers Licenses if they have expired or if you received new ones in 2019.
- 2) Many clients are using the convenience of the electronic payment option for paying their taxes for Federal and State and for estimated tax payments for Federal. NYS still requires that the taxpayer go on their web site to set up estimated tax payments. We can file your tax anytime after January 28<sup>th</sup> and schedule to debit your bank account for the tax owed for April 15<sup>th</sup>. We encourage you to use this payment option as there are no lost checks or lost mail issues.
- 3) Make sure we have your correct checking or savings bank account both for tax refunds as well as for tax payments. If you changed your bank accounts we would like to make a copy of your check for our records.
- 4) If you paid estimated taxes during 2019/2020 we find quite often the amounts differ from what the IRS and State receive. Please take care to provide the correct amounts.
- 5) Finally please provide us with an email address. We do most corresponding through email making it quicker and more efficient.

We are happy to announce a new personnel change. Brandy will be running the front office this year – making appointments, gathering your information and other tasks that Denise was doing last year. Michele will be back of course but Bill Connors will not be returning this year. I would like to thank Bill for working with us for the last 25 years or maybe more! We have enjoyed working together but he has decided to spend more time with his grandchildren and we wish him the best. I anticipate that we will be able to take care of Bill's clients but he can be reached on his cell 315-281-6464 should any of his clients need to reach him.

**Call Schuyler Tax Services LLC at 315-735-3684 for an appointment.**

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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](http://schuylertaxservices.com).**

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

***Richard Tennant, RTRP.***