Bottom Line Accounting

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Dear Tax Client:

My head is spinning as I review the year behind and the year ahead. All the buzz is around the new tax law, *Tax Cuts and Jobs Act of 2017*, that President Trump signed into law on December 22, 2017. Will this new tax law help or hurt you? To be honest, until we learn more about all the changes hidden inside of this new bill it will be hard to tell. (A summary of this tax bill can be found on our web page.) The good news is that very little has changed for the 2017 tax filing season.

As with last year's tax filing season, this year's tax season comes with "delayed" refunds for tax returns with Earned Income Tax Credit (EITC) and/or the Additional Child Tax Credit (ACTC) in them. The refunds will be held until the IRS can verify and match Forms W-2 and 1099.

And you may remember the "Due Diligence" requirements that resulted in us asking more questions of you to make sure we were preparing an accurate tax return, not by choice, but by return preparer requirement. Due to the associated penalties, which can add up quickly, we will again this year be asking for more documentation than ever. In order to protect both you and Bottom Line Accounting; your documentation will be scanned and it will become part of your permanent tax file. Should there be questions at any time with regard to the preparation of your tax return we will have scanned copies of all documents used in the preparation of your return. Please remember that we need ALL pages, front and back. Not supplying all pages slows down the preparation process. We will return all of your documentation in your completed tax package. Should it be necessary to amend your tax return at a later date because documentation was not provided to us at the time of preparation/e-filing, there will be a minimum amended return fee of $125. This fee could be higher if additional forms are required after amending. Please make sure you have all of your tax documents before you ask us to e-file your return.

With identity theft increases and tax scams continuing to plague us all, the IRS is working hard to match data and cut the bad guys off before they take your identity or tax refund. As for those horrible tax scams, please remember that the IRS will never initiate contact with you via the telephone, e-mail, or by knocking on your front door. The IRS will never ask you to pay a tax liability with prepaid cards of any type. If there are issues with your tax returns and/or tax liability, the IRS will always contact you via letter correspondence first. Don't give crooks any information or fall for their tricks and scams. So remember to either hang-up, hit the delete key, or shut the door on those scam artists!

**Documents Needed.** The following documents and information are good examples of what is generally needed to complete your tax return:

1) Copies of Social Security Card/Numbers for each taxpayer and/or dependent

2) Copies of drivers license for the taxpayer and tax spouse (a new requirement to help combat fraud)

3) Form(s) W-2 (wages, etc) Pay stubs do not always have complete or accurate information. Therefore, the

real thing is required and; additionally it is illegal for any tax return preparer to use your pay stub to

complete your tax return per IRS regulations

4) Form(s) 1099 (interest, dividends, miscellaneous, etc.)

5) Schedule(s) K-1 (income/loss from partnerships, S Corps, etc.)

6) Form 1095-A, B, or C, Health Insurance Marketplace Statements are key documents showing proof of

health insurance coverage for you and your dependents. If you purchased your health insurance coverage

through The Marketplace, you must have Form 1095-A to accurately complete your tax return. If you

received Forms 1095-B or Forms 1095-C, please include those in your tax documents. Proof of health

insurance coverage is required for filing of the 2017 tax return.

7) Form(s) 1098 (mortgage interest) and property tax statements for both houses and vehicles

8) Copies of closing statements regarding the sale, purchase, or refinancing of real property

9) Brokerage statements from stock, bond or other investment transactions, to include information regarding

the original cost of stock and the date purchased for any stock sold during 2017

10) Legal paperwork for adoption, divorce, separation, and /or custody issues

11) All other supporting documents (schedules, checkbooks, etc)

12) Any tax notices received from the IRS or other taxing authority

13) A copy of your 2016 tax return if it was *not* prepared by this office.

**Free e-file.** We are required to e-file your tax return and offer this service at no additional charge. There are many benefits to electronically filing; immediate acknowledgement that your return has been received, confirmation of acceptance/rejection, direct deposit in 10-20 days when refunds are due, and easy on-line payment options should you owe.

**Payment for Services.** We would remind you that tax professionals are required to have Continuing Professional Education credits annually. This education can be very costly as is the tax software we use to prepare and maintain your return. To keep our costs and prices as low as possible, payment for services can be made with cash, personal check, and/or credit card payments at the time of service. Payment is due when you receive your return. **Some clients may be asked to pay a retainer fee if they have had a slow payment history.** And although we hate to implement this new procedure, our time is valuable and we deserve to be paid for our services at the time we complete your return or within two weeks of acceptance by prior agreement.

**Call When You Need Help.** Remember that we are available year-round and your tax preparation fee, which might be higher than you would like, generally covers the additional time we spend helping you during the year. And getting those pesky notices to us as soon as you receive them can make addressing them much easier, faster, and less costly.

**Engagement Letter/Tax Organizer Questions.**  All clients will be required to sign and submit a 2017 Engagement Letter prior to any tax return preparation work beginning. The Engagement Letter explains what we will do for you and what you must do for us so that a properly prepared return can be completed. The 2017 Tax Organizer Questions must be completed to meet the required Due Diligence requirements and helps us determine which forms and reporting requirements you will have with your 2017 tax return.

**Schedule Your Tax Preparation Appointment Early.** We are now booking tax appointments and encourage you to make your appointment as soon as possible. For those of you who are out-of-state, we encourage you to either mail or scan documents as soon as you have all forms and documents. Returns received after March 31, 2018, may be subject to a $25 surcharge and additionally may require the filing of an extension. Individual and business returns can take hours or days to complete. We work fast and hard, but it is impossible for us to work around the clock to complete your return when you are late getting it to us. If it looks like all of your documents are not going to be available, let's agree to file an extension. Extensions do not raise "flags" with the IRS, but incorrectly filed returns can.

**There Is NO Extension for Taxes Due in April.** Please remember that there is NO extension when taxes are due. If you think you might owe taxes then you may have to make an estimated tax payment. And while we may assist you in determining the amount of estimated tax payment you should make, we are not responsible if the estimate we recommend does not cover your tax liability. Paying a little more can be a safer bet than not paying enough and owing late penalties on top of taxes. To be considered paid on time taxes must be paid by April 17, 2018, this year. This is a special date for 2018. Filing an extension to file taxes does not extend the time you have to make tax payments. When you pay after the due date, you must pay additional late payment penalties and interest.

**Webpage: www.bottomlineaccounting.org**

We would encourage you to not only take a look today, but from time-to-time check back to see what information we might have to share with you. And, as always, we would encourage you to share this information with friends and family. You should find the information to be timely and informative. You will find a page with tax information and links which might be very useful if you need tax information or need to make a tax payment during the year. We are excited about our Internet presence and hope you will be too.

As always, this letter has a lot of information in it, but there always seems to be so much to share each year. We say this often, but please, do not hesitate to contact us if you need further assistance or have questions about your tax return. And remember, we may not be the fastest tax preparation firm out there, but we truly do care about your tax situation and treat your return and personal information with the same respect as we do our own.

When the bottom line counts, count on Bottom Line Accounting!

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