

Specific Additional Guidance for Tax Year 2016

1. Arizona Tax Credits: AZ Tax Credits: Many of our clients have taken advantage of the opportunity to support schools and/or charities through tax credit contributions. Credit programs were improved by extending the deadline for contributions that count toward your 2016 tax returns to April 15th, 2017. Also, some of the maximum amounts allowed were increased. Please review the information available on our website at www.oneilsteiner.com and choose the "AZ Tax Credits" tab.

2. New Security Requirements: In order to reduce identity theft and tax credits claimed in error, new regulations have been established that require collection of additional information. Please provide a copy of your driver's license and if married, your spouse's driver's license, with your tax information. Copies of driver's licenses can be provided at our office.

In addition, if you appear to qualify for the Child Tax Credit (minor dependents under 17), American Opportunity Tax Credit (taxpayer, spouse or dependent was in college), or the Earned Income Tax Credit (based on income, filing status, and number of dependents) we must conduct an interview with you prior to completing your return. If this is the case, we will attempt to reach you by phone or may need to schedule an appointment in order to interview you. You should anticipate increased preparation fees if your return includes one or more of these items.

3. Engagement Letter: To streamline the process of submitting your tax information we are encouraging all clients to download the required *Engagement Letter* from our website at www.oneilsteiner.com. The *Engagement Letter* is located on the Tax Documents tab and should appear as a red button. Please choose the version that matches your marital status as of 12/31/16. By printing, completing, signing and initialing the engagement letter after making your selections (in sections on pages 3-5 where boxes appear) you will reduce time to check in your return. The most common response in election sections appears first. Please remember, if you are married, both spouses must sign/initial where indicated. If you are not able to print the letter, we would be happy to provide copies. The *Engagement Letter* must be received before we can begin preparation services.

Also available at www.oneilsteiner.com under the tax documents tab are additional organizers; documentation requirements for medical expenses, charitable donations; and other helpful items.

4. Healthcare Coverage: (same as for tax year 2015) Taxpayers should expect to receive additional tax forms related to their health insurance this year. Forms 1095-A, B, and/or C should be provided by your insurance company and/or employer. These forms report the months you were covered by minimum essential health insurance. Without minimum essential health insurance, unless you qualify for an exemption, you will be subject to the Shared Responsibility Payment generally referred to as the penalty.

Please include all Forms 1095-A, B, and C with other records when you bring us your returns. In addition, please review your information and provide information regarding gaps in health insurance coverage and exemption certificates for all members of your household unless everyone was covered for all twelve months. An individual is considered to be covered for any month as long as they had coverage for at least one day during the month. These will assist us to be sure all relatively new forms were received and are correct.

Example: John covered with minimum essential coverage all year

Jane covered for all but March, April, May, June, and July

Johnny Jr. covered for all but June and July

Jane received an exemption from the healthcare.gov marketplace for March and April.