



# News and Tax Tidbits

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2016 has come and gone. These years are going faster and faster. Maybe it's an age thing. Actually, I'm pretty certain of that. I sent an email out at the end of 2016 letting everyone know that I changed our name to **Family Tax Solutions**. The word "Solutions" fits the company better. I don't just prepare taxes. I'm also the one you go to if ever you need to resolve any tax matter before the state or IRS. See my pretty new logo in the upper left? I'm so excited about it.

One thing about 2016 that was rough was that no matter what political side you are on this election took its toll on all of us. With the new administration, we can expect change. Usually most changes in Congress translate into tax law. That means I will be busy keeping up on all the changes and passing on that information to you. It's my job. It's what I love. Okay people, I hear you moaning right now. Just can't help myself!

A **dropbox** will be also be new this year. This will be a secured area so that you do not have to make an appointment, just drop it by and leave your questionnaire with your paperwork. Also, I am working on creating a secured portal so that we can exchange documents as well. I'll keep you informed on my progress.

I look so forward to seeing each and everyone of you. Remember tell your friends. Each referral you send that has their taxes done by me, will save you \$20 on tax services.

## Individual Tax Law Briefs

- ***Paying for Higher Education?*** Besides bringing in the 1098-T, you will need to provide your qualifying expenses **paid** in 2016. This is nothing new for this office as this is how the tax code is written. Most institutions usually fill out box 2 which shows the amount billed not paid. Next year, every institution is required to fill in Box 1 which shows the amount paid. If you do not receive a 1098-T you will no longer be able to qualify for any education credit.
- ***ITIN's (Individual Taxpayer Identification Numbers)*** are issued to non-residents of the United States. If you have an ITIN as opposed to a Social Security Number and have not used it to file a tax return in last few years, you will need to renew your ITIN before you file your tax return.
- ***Mortgage statements (1098's)*** issued in 2017 for the 2016 tax year will get a new look. They will contain the outstanding principle on your mortgage, mortgage origination date and address of the property securing the mortgage.
- The ***Sharing Economy*** is a term used for those who choose to drive (Uber, Lyft, etc) or rent a room or their home to others (AirBNB, VRBO, etc) or even trade services. Providing these services can create a tax consequence as you are considered self-employed or have a rental. Having a vacation rental in Idaho also subject to Travel and Convention Tax.

## Business Tax Briefs

- **Filing Dates:** Beginning in 2017, Businesses will not only need to mail *W-2's and 1099-Misc* to their employees and contractors by the regular due date of January 31st they must also **file** with the appropriate agency by January 31st.
- **Partnership returns (1065's)** are due on March 15th and **Corporate returns (1120's)** are now due on April 15th. You can file for a 6th month extension for each of these.
- You can now expense assets that you purchase instead of depreciating them over time. The **“de minimis” Safe Harbor rule** allows you to expense instead of depreciate items of less than \$2,500 for most small businesses and rentals.

### IRS Scams and Internet passwords

The scammers have come out with a new technique. They are now sending letters that “look” like the IRS sent them. Please call to verify all letters. You of course, can call me or call the IRS at 1-800-829-1040. Don't take a phone number from off the notice. The IRS.gov website has a lot of helpful information.

How long has it been since you changed your passwords on your bank, credit card, email lately? It is advised that you change your password every 90 days and use a mix of letters, numbers and symbols. The longer the password the better!

### E-file and Refund Dates

- **First day to E-file:** January 23, 2017
- **Refunds:** The PATH (Protecting Americans from Tax Hikes of 2015) Act delays refunds for returns containing Earned Income Credit and/or Advanced Child Tax Credit. This will allow time to verify income claimed and curb fraud. Refunds will not be issued until after Feb 15th. There is some speculation that these refunds will be as late as the week of February 27th.

### Mileage

2016

Business	54¢
Charity	14¢
Moving/Medical	19¢

2017

Business	53.5¢
Charity	14¢
Moving/Medical	17¢

### Affordable Care Act (Obamacare)

For 2016 and 2017—

Penalties for not having health insurance is 2.5% of income over standard deduction or the Bronze plan average of \$2,676. Or, \$695 per adult/ \$347.50 child \$2,085 maximum (Whichever is higher and limitations apply.)

Hang on to your hats, folks. I hear reform is on the way. Seems as though we don't know what that means, yet. So, I'll keep you up to date.

