**TAX NEWS & TIPS**

**Editor’s Notes**

**YEAR END ISSUE 2017**

***Note!*** Our subscriptions run on a calendar year basis. Don't forget to renew your subscription, most of you renewed last December. Don't miss any issues in 2018. Get your order in early... and get another tax deduction for 2017! Fill out a subscription form (click here for Order Form) and fax to (855) 385-5736 with your credit card information, or mail with check for full payment to 116 Village Court, Sewickley, PA 15143.

**Tax Reform Update**

Work in progress. New proposal little changed from Plan submitted early in 2017. Tax rates reduced to 4…0%, 12%, 25% & 35%. Standard deductions doubled. Personal exemptions and most itemized deductions eliminated. Changes in corporate tax rate to 20% and 25% for pass through entities both currently 35%. Elimination of state and local tax deduction could be a big hurdle for approval.

**Important Tax Information Enclosed**

Spend a little time each week to be prepared! Getting the taxpayer ready to collect tax documents and what some of those documents are. W-2s…1099s…1045-A, B & C…1098s…other 1099s.

**Need To Send 1099s?**

Don’t forget filing deadline to IRS of January 31.

**Got Everything?**

Review of frequently missed items. These include refinancing, child care expenses, estimated tax payments, sales of property, sale of stock, business records, employer reimbursements, K-1s, Social Security benefits, special accounts and complex transactions.

**Tips For You… *Now!***

* Interest on Series EE & I Bonds could become tax free if used for eligible education expenses.
* Medical deduction for taxpayers 65 and older reduced by new 10% threshold.
* Rules for claiming a parent as a dependent.
* Watch for year-end purchases of mutual funds with built in capital gains.
* Tax breaks that expired in 2016 from Path Act…will they be renewed?
* Innocent spouse protection.
* Injured spouse relief.
* Tax-Related Identity Theft Victims Can Get Copies of the Fraudulent Returns.

**A Major Tax Strategy Revisited.**

Roth Conversions.

Multi-year strategy. Recharacterizations. October 15 following year deadline.



**Myth vs Truth.**

* Energy Credit for purchases in 2017. Not unless law is extended.
* Same-sex marriages filing status.
* Disaster relief extended to retirement account distributions. Waives 10% for pre-59 1/2 age distribution penalty for distributions less than $100k. Tax can be spread over multiple years.
* Social Security benefit increases based upon Consumer Price Index. 2% increase for 2018.

*Unfortunately, we cannot be your primary tax information source. The information in the Newsletter is for your clients. We attempt to write on a level that will give the taxpayer a general sense of the topic to promote additional conversation on the specifics with you when they discuss the preparation of their tax returns.*

*If you have a topic that you would like included in a future issue of Tax News & Tips, please forward to rich@taxnewsandtips.com .*



**Rich DeLand**

*Editor*

**Upcoming Key Dates:**

Mid-Year 2018 Issue

Subscriptions & Masthead Change Deadline: April 23

Newsletter Ship Date: May 21