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2018 Tax Season Newsletter

211 Enfield Rd, Lincoln



FEDERAL REFUND DELAY. THE IRS will delay refunds until February 27, 2018 if the refund includes the Earned Income Tax Credit or Additional Child Tax Credit.

WE ARE MEMBERS of the National Association of Tax Professionals (and ME chapter), National Society of Tax Professionals, National Association of Enrolled Agents (and ME chapter), National Society of Accountants (and ME chapter), National Institute of Professional Bookkeepers, National Association for the Self Employed, Lincoln Lakes Region Chamber of Commerce, and the Lincoln Business Referral Group.

“HELP, I RECEIVED A NOTICE from the IRS.” If this happens to you, call us immediately. We want to assist you in all correspondence with the IRS or Maine Revenue. If it concerns a return we prepared there is usually no extra charge for this service.

TAX FRAUD HOTLINE. If you suspect or know of an individual or company that is not complying with the tax laws, you may report this activity by calling the IRS at 1-800-829-0433, or report on Form 3949-A (available at irs.gov). File Form 211 to receive a reward if applicable. Maine tax violations can be reported by email to MRS.TAXTIP@maine.gov, or by calling 207-624-9600. The caller can remain anonymous.

IMPORTANT FILING DATES.

3/15/2018	1065 & 1120-S due date.
4/17/2018	1040, 1120 & 1041 due date.
5/15/2018	Non-Profit 990N due date.
6/1/2018	ME Annual Rpt. Due (Corp & LLC)
9/17/2018	Extended 1065 & 1120-S due date.
10/1/2018	Extended 1041 due date.
10/15/2018	Extended 1040 due date.

If you receive an extension, it is important to know that it is only an extension for time to file. You must estimate the amount of tax you will owe and pay it before the original due date to avoid late payment penalties. If you are on extension, and file your tax returns after the extended due date, late filing penalties and interest will be assessed back to the original date due, as if you did not have an extension. Most penalties are calculated based on the original amount of tax due.

Partnerships and S-corps (including LLCs taxed as partnerships or S-corps) are pass-through entities, meaning they are not taxed, but that the taxable income from them is passed-through to the owners' or partners' tax returns via the K-1 documents. Since there is no tax due to calculate a penalty, the late or failure to file penalty is a flat \$195 per shareholder or partner per month to a max of 12 months, calculated from the original due date.

To keep the IRS and Maine penalties for failure to file and late filing at bay, file your tax returns on time, even if you cannot pay right away.

ACA / OBAMACARE open enrollment started on Nov 1, 2017 and ends Dec 15, 2017. If you are self employed as a sole proprietor, corporate shareholder, or partner, use caution when estimating your income to determine an ACA premium tax credit subsidy to lower your insurance cost. Estimating too low can result in thousands of dollars in additional taxes due with your tax return, caused by having to repay advance premium tax credits taken.

A REFERRAL is one of the best things you could give us! Tell your friends about us today.

Helping Take the Bite out of Taxes!

NEW THIS YEAR. The federal tax credit for residential energy efficiency expenses (high efficiency/energy star rated doors, windows, roofing, insulation, heating and air-conditioning) ended on December 31, 2016. Residential mortgage insurance premiums are no longer deductible as mortgage interest. Deductible medical expenses for taxpayers 65 and older are reduced by 10% of AGI (had been 7 ½%). And the deduction for qualifying higher education tuition and fees is no longer available to taxpayers not qualifying for education tax credits.

THE ACA PENALTY for not having health insurance this year remains the same as 2016, \$695 per adult or \$2,085 per family or 2.5% of your household income in excess of your filing threshold, whichever is higher.

RETURNS WE PREPARE include EZ, short and long form 1040 personal income tax returns, sole proprietor returns, landlord and rental income returns, farm returns, partnership returns, corporate income tax returns, and also amended returns, and extensions to time to file.

VISIT US ON THE World-Wide-Web at www.barkertax.com and also our Facebook page www.facebook.com/BarkerBusinessServices. Don't forget to "like" us while you are there.

ORGANIZE NOW. If you would like us to send you a tax organizer to help you get ready for tax time, call us at 794-8563, or email us at taxman2@barkertax.com.

STEPS FOR IDENTITY THEFT VICTIMS. If you are a victim of ID theft, the Federal Trade Commission (FTC) recommends you (1) File a police report, (2) File a complaint with the FTC, (3) Contact one of the credit bureaus to place a "fraud alert," and (4) Close any financial accounts opened without your permission. For tax related victims the IRS requires that you (1) Complete Form 14039 Identity Theft Affidavit, (2) Respond immediately to any IRS letters or notices, and (3) Continue to file and pay taxes, even if by paper (vs. e-file).

\$100 WINNER! Last year's winner of our drawing was Jeff & Cheryl Whitten of Enfield. This year all completed 2017 income tax return clients will be entered and the \$100 winner will be drawn at 5 pm on Tuesday, April 17, 2018.

SOCIAL SECURITY recipients & military retirees will receive a 2.0% cost of living adjustment in 2018.

RANSOMWARE PREVENTION. Scrutinize emails. Don't click on links or open attachments you weren't expecting or don't recognize. Only download software from trusted websites. Monitor software updates, keep operating systems and programs/applications up to date. Use and keep updated anti-virus/anti-malware software.

WE PROVIDE PAYROLL SERVICES. You give us your employee hours worked each period and we'll prepare your signed or unsigned payroll checks, employee direct deposits, or detailed pay-stubs for you to attach your own check to. We can accommodate all calculations and deductions such as tips, child support, and retirement plan withholding, as well as vacation and sick time accrual if needed. We prepare all quarterly and year-end payroll tax returns as well as 1099MISC forms for payments to independent contractors.

IN ORDER TO STAY CURRENT and better serve our clients, we attend many hours of tax training each year. This year's training consisted of a one day Tax Practitioner Institute, a two day National Association of Tax Professionals (NATP) 1040 Workshop, a two day NATP Maine chapter tax seminar, a two day Maine Tax Forum, and a two day Maine Association of Professional Accountants "Gear Up" tax seminar, as well as many telephone forums and webinars hosted by various agencies and associations throughout the year. These training events cover many facets of Federal and Maine tax law as well as current changes.

CONTACTING US. You may reach us many ways. Contacting any of us through personal Facebook messaging has worked for many of you. Although it may work, it's the least preferred method since it is the least monitored. You may always call the business phone at 794-8563, and can leave a message on the machine if no one answers. You also may email me (Bruce Barker Jr) at taxman2@barkertax.com or call or text me at 290-1293. Dad (Bruce Barker Sr) may be emailed at taxman@barkertax.com or called or texted at 290-4126. Our customers are important to us and we don't want to miss your call, text or message.