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2019 Tax Season Newsletter

211 Enfield Rd, Lincoln



WHAT'S NEW for FEDERAL

- Tax Rates have dropped.
- Standard deductions approximately doubled.
- Personal exemption amounts removed.
- NOL carrybacks eliminated, NOLs must be carried forward.
- Casualty & theft loss deduction gone, unless in a federally declared disaster area.
- Job related moving expenses no longer deductible (active duty military PCS exception).
- State and local itemized tax deductions (income, excise, real estate, sales) capped at \$10,000.
- Mortgage and HE itemized deduction interest only deductible if used to buy, build or improve primary or second home. Must be secured by the property used for (loan interest secured by home 1 used to buy, build, or repair home 2 not deductible). HE and cash out loan interest used for other purposes also is not deductible.
- All miscellaneous itemized deductions subject to the 2% floor are gone. No more deductions for employee business expenses (including employee travel and meal expenses), investment expenses, hobby expenses, tax prep fees and legal fees that had been allowed as itemized personal income tax deductions in prior years.
- Child Tax Credit increased to \$2,000 per child with up to \$1,400 per child being refundable.
- Non-child dependent credit of \$500 per qualifying relative (older child, parent, etc.).

- Tax Preparers are now required to verify the qualification of a tax payer to claim Head of Household status, as well as taking the Earned Income Credit, Child Tax Credit and American Opportunity (education) credits.
- 529 Plan funds can now be used for qualified education expenses of public, private and religious K-12 grade schools.
- S179 depreciation limit is now \$1,000,000.
- Non-residential roofs, heating/AC equipment, & interior improvements are now are S179 eligible.
- 100% bonus depreciation now includes used qualifying property.
- Like kind exchange rules for real estate only. Can no longer defer gain from a like kind exchange of equipment, such as a tractor/trailer, or a piece of logging or construction equipment.
- Personal income tax deduction of 20% of qualified business income.

WHAT'S NEW for MAINE

- Personal Exemptions limited to taxpayer and spouse, no exemption for other dependents.
- \$300 credit for dependents that qualified for the federal child or other dependent credit.
- Maine standard deduction equals federal.

“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 tax 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.

Helping Take the Bite out of Taxes!

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, Lincoln Lakes Region Chamber of Commerce, and the Lincoln Business Referral Group.

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.

IMPORTANT FILING DATES.

3/15/2019 1065 & 1120-S due date.
4/17/2019 1040, 1120 & 1041 due date.
5/15/2019 Non-Profit 990N due date.
6/1/2019 ME Annual Rpt. Due (Corp & LLC)
9/16/2019 Extended 1065 & 1120-S due date.
10/1/2019 Extended 1041 due date.
10/15/2019 Extended 1040 & 1120 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.

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

LAST YEAR FOR THE ACA PENALTY.

Tax year 2018 remains the same as 2016-17, \$695 per adult or \$2,085 per family or 2.5% of your household income in excess of your filing threshold, whichever is higher, paid through your 2018 tax year income tax return. The penalty is gone for 2019, which is filed in 2020.

MILITARY RETIREES & SOCIAL SECURITY recipients will receive a 2.8% cost of living adjustment in 2019.

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.

RETURNS WE PREPARE include 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. For 2018 there is no 1040A short form or 1040EZ form.

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 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. If it's payroll related, please email payroll@barkertax.com. You are important to us and we don't want to miss your call, text or message.

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!