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since 1972



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2020 New Tax Law Update

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Two locations

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Corner of Thompson & Madison
Across from Perry Meridian Middle School

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888-4828

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1-888-283-8959

****The New Tax Law****

Information of how it effects individuals and businesses this year on the reverse side

ObamaCare is still with us, but this year brings a new change, there is no longer a penalty for not having insurance.

2018 was the last year for that penalty

However, if you had insurance thru the Marketplace,

You will still get a Form 1095-A from the ObamaCare Exchange

We still need this form to determine if you will get an additional credit or you will have to repay some of the credit you already received

Heads up for 2020 for persons working as independent contractors

IRS has come up with a new form for 2020, Form 1099-NEC (nonemployee compensation).

If you think you're going to get one of these instead of a W-2, please be sure to contact us about setting up estimated taxes for 2020.

Identity Theft

If you were subject to Identity theft, IRS will send you a new IP PIN each year, please bring this notice with you.

We are licensed to represent all tax payers before the IRS . . .

If you have not filed returns in several years . . .

If you owe the IRS back taxes . . .

If you received correspondence from the IRS for any reason whatsoever . . .

Please don't ignore the IRS, let us help you

Beginning Late January Get Your Refund in as little as 7 days

with Free Electronic Filing

Direct Deposited in a checking, savings, or retirement account (tax preparation fees due at filing)

OR

Get a loan in as little as a day or so

with No Money needed to file

using a bank loan product with bank fees

loans are from \$500 to \$6,000 and are based on refund, please ask for details

To repay the loan, your refund from IRS would go to Refund Advantage's Refund Transfer Program, they would deduct their bank fee and the tax preparation fee and authorize us to issue you a check for the balance or you could have the balance direct deposited into a checking, savings, or retirement account.

IRS will not accept returns from anyone until Late January

However, we can prepare your return anytime so you know exactly what your refund is, and then transmit it to IRS as soon as IRS begins to accept them

Regular hours Jan 2nd thru Jan 21st

8:00 AM til 5:00 PM (closed 11:30 – 1:00 for lunch)

Starting Jan 22nd, Monday thru Friday

First appt 9:00AM - Last appt 8:00PM
Saturdays & April 15th

First appt 9:00AM - Last appt 4:00PM

If you need an appointment before 9:00 AM or after 8:00 PM, or Sunday, call and we will try to assist you.

Unable to come to us?

Try our e-mail or mail-in service

Whether you're temporarily away for the winter, have moved, or simply unable to come to our office, we still want to serve you. We prepare state returns for all states.

1. **E-mail.** We now have our entire "mail-in" packet on our website ready for you to print and mail to us, or

If you're computer savvy, print the forms, scan them along with all your tax information (W 2's, 1099's, etc.) and e-mail them to us.

2. **Traditional Mail.** We still have our "mail-in" packet which we can send to you, it includes a postage-paid envelope and all the necessary forms. There is no cost for postage either coming to us or going back to you

Please call for our "mail-in" packet. Our toll free line is 800-844-2293

In either case, when completed, we will e-file your return and mail your copy to you

We Love New Client Referrals, Get \$20 or \$40 or more

You get a **\$20 Thank You check** for your first **NEW** referral each year, and we will **double that to a \$40 Thank You check** for each additional **NEW** referral during that same year. (some restrictions, see our "Refer A Friend" card)

Plus the new client will get a \$20 Discount that first year.

If you don't have any of our "Refer A Friend" cards, simply tell your referral to mention your name and that you referred them, we'll gladly give them a discount and send you our thank you check.

Tax Law Changes for individuals

2019 tax brackets for dividends and capital gains rates

Single **20%** rate starts at \$434,551

MFJ **20%** rate starts at \$488,851

Meaning most clients will pay only 15%

2019 Standard Deduction

replaced the 2017 Standard Deduction plus the Exemption of \$4,050

Single **\$12,200**

Married Filing Joint **\$24,400**

Head of Household **\$18,350**

Loss of the old Exemption for children is offset by increased Child Tax Credit

2019 Child Tax Credits

\$2,000 thru age 16, age 17+ **\$500**

► **Itemized Deduction Rules**

Medical expenses **reduced by 7.5%** of adjusted gross income **thru 2020**

Taxes are **limited to \$10,000**

Mortgage Interest remained pretty much intact

Mortgage Insurance Premiums (PMI) has **returned thru 2020**

Charity was left pretty much intact

Casualty Loss deduction **eliminated** except for federally declared disaster areas

Miscellaneous Deductions are still **eliminated entirely**

Gambling Losses include travel to and from the gambling activity

Kiddie Tax

Children subject to the Kiddie Tax for unearned income **are back to being taxed on their parents tax rate!!**

► **Extended items thru 2020**

Homeowners may be eligible to deduct **energy items** such as insulation, windows, storm doors, etc.

Tuition and Related Expenses is back for those who may not benefit using the education credits

Debt cancellation on a taxpayer's personal residence can be excluded

► **2020 IRA/Retirement plan changes!!!**

Required Minimum Distributions (RMD) age is increased to **72!**
(Only for taxpayers who meet requirements after 12/31/2019)

Contribute to a Traditional IRA regardless of age! (Wage requirements are still in effect)

Adopting a child is an exception to the 10% early withdrawal penalty!

get added peace of mind with

◆ **Audit Guard** ® ◆

IRS has stepped up their auditing, especially their correspondence audits.

IRS audits taxpayers in three ways

"Correspondence Audit" where they request more information be mailed to them

"Office Audit" where they want to see you at the IRS office

"Field Audit" where they want to visit you at your home or business

Our work has been and always will be guaranteed, however, IRS can select any return for audit, even a perfect one.

"Audit Guard®" allows us to legally represent you and handle these audits for you without you ever being present or dealing with them.

Tax, Accounting and Payroll Services

Tax Preparation

Individual, Partnerships, LLC's, Corporations, Estates, Trusts, Personal Property, etc.

Payroll Processing

After initial set up, you only have to call or send us hours worked.

We will then issue checks and/or make direct deposits for your employees.

Delivery is available also.

We will also electronically file all government reports, etc

Accounting/Bookkeeping
Recordkeeping and Financial statements, reconciliations, etc

Call us, office consultations are free

Legal Services

Randolph B Kristel, Attorney at Law,

Is available to discuss:

**Chapter 7 Bankruptcy,
Wills, Estates, Trusts,
Divorce, Small Claims,
Real Estate, Litigation**

Free Initial Consultation

(317) 435-3092

Tax Law Changes for Individuals with businesses and rentals

► **20% Qualified Business Income Deduction (QBID)**

Besides individuals who are self employed, a partner in a partnership, or a shareholder in an S-Corporation, **it now includes individuals who own rental property.**

This is without a doubt the biggest and most beneficial part of the new tax law, however, it is also the most complex.

Without going into the complexity, it generally includes the NET amount of any qualified business and/or rental activity of the taxpayer.

The QBID is a deduction from your taxable income after applying the standard deduction or itemized deduction, the best case scenario.

Now for some of the ifs, ands, & buts

Good for anyone whose taxable income is less than \$160,700 or if married filing joint \$321,400. If your taxable income exceeds those amounts there are phase-outs for certain specific service businesses.

Taxable income is defined for QBID as an amount over the sum of any net capital gain.

QBID also is affected by the wages of the businesses.

► **Depreciation**

Bonus depreciation, immediate expensing remains at 100% this year, **and also new, it now includes used equipment as well as new equipment.**

Section 179 immediate expensing of personal property increased to \$1,020,000. **Also new, qualified property has been redefined to include improvements to non-residential real property such as roofs and HVAC.**

Business and rental owners were real winners with the new tax law, call us with questions

Prepared your own return?

If you want us to just **Electronically file** your return for you, you could have your refund direct deposited in your checking, savings, or retirement account in as little as **7 days**
Fees must be paid at time of filing