



Kristel's 47 YEARS OF TRUST

2019 New Tax Law Update & Newsletter



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Two locations

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Across from Perry Meridian Middle School

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888-4828

1-800-844-2293
1-888-283-8959

****New Tax Law in effect for 2018****
Information of how it effects individuals and businesses on the reverse side

ObamaCare is still with us, and there is a new twist this year regarding any penalty.

2018 is the last year there's a penalty for not having health insurance.

AND, there's a NEW "hardship" exemption this year to reduce or eliminate the tax penalty. If you qualify for this exemption or any of the others, you may not have to pay the penalty, or at least, the penalty can be reduced. It's complicated, please let us assist you with this.

All others with insurance, please note

If you had health insurance thru the Marketplace during the year

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

If you had health insurance anywhere at any time during the year

You will get a Form 1095-B from the insurance company

If you had health insurance thru your employer at any time during the year

You "MAY" get a Form 1095-C from your employer (it all depends on how large your employer is)

► We **MUST** have any and all of these forms from you to complete two new tax forms that will inform IRS if you are in compliance, entitled to a credit, will have to repay a credit, or will have to pay a penalty

New IRS Refund Policy for returns claiming

"Earned Income Tax Credit" or "Additional Child Tax Credit",

According to a new tax law, the IRS cannot issue any part of a refund before February 15th for tax returns that claim either of these credits, **AND** IRS further cautions that refunds with these credits likely won't arrive in accounts until the week of February 26th.

New Loan Product in 2019

"Refund Advance" tax refund-related loans will be available in amounts to be determined by Refund Advantage from \$250 to \$6,000

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

with No Money needed to file

using a bank product with bank fees

tax preparation fees and bank fees are deducted from your Electronic Refund Check (ERC)

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 opens

Regular hours Jan 2nd thru Jan 19th
8:00 AM til 5:00 PM (closed 11:30 – 1:00 for lunch)

Starting Jan 21st, 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.

2018 Tax Law Changes for individuals

With any new tax law, there are going to be winners and losers. We can help you gain the most from winning, and help you reduce the most from losing.

New tax brackets for when dividends and capital gains tax rates kick in

Single was 20% starting at \$37,951
Now 20% doesn't start til \$425,801
MFJ was 20% starting at \$75,901
Now 20% doesn't start til \$479,001
Means most clients will pay only 15%

New Child Tax Credits

Was \$1,000 thru age 16 (age 17+ = \$0)
Now \$2,000 thru age 16, PLUS
Now \$500 for age 17 and older

New Standard Deduction (SD) replaces the old Standard Deduction and the old Exemption of \$4,050

Single was \$6,350 + \$4,050 = \$10,400
New SD \$12,000
Married Filing Joint was \$12,700 + \$8,100 = \$20,800 New SD \$24,000
Head of Household was \$8,350 + \$4,050 = \$12,400 New SD \$18,000
Loss of the old \$4,050 Exemption for children made up with the new increased Child Tax Credits

Dependents

Since there is no longer an exemption for each dependent, do we still need dependent information – ABSOLUTELY

It affects –

Child Tax Credit
Dependent Care Credit
Earned Income Tax Credit
Head of Household Filing Status
Household size for Premium Tax Credit

New Itemized Deductions

Medical Expenses was excess of 10%
Now reduced to excess of 7½%
Taxes was fully deductible is now limited to \$10,000
Mortgage Interest had some tweaking but remained pretty much intact
Charity was left pretty much intact
Casualty Loss deduction eliminated except for federally declared disaster areas
Miscellaneous Deductions took the biggest hit, eliminated entirely
Gambling Losses has been expanded to include travel to and from the gambling activity

New Kiddie Tax

Children subject to the Kiddie Tax were taxed based on their parents tax rate, it's now a separate return not involving their parents.

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 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

2018 Tax Law Changes for Individuals with businesses and rentals

► 20% Qualified Business Income Deduction (QBI)

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 QBI 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 \$157,000 or if married filing joint \$315,000. If your taxable income exceeds those amounts there are phase-outs for certain specific service businesses.

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

QBI also is affected by the wages of the businesses.

► Depreciation

Bonus depreciation, immediate expensing, has increased from 50% last year to 100% this year, and also new this year, it now includes used equipment as well as new equipment.

Section 179 immediate expensing of personal property increased from \$500,000 to \$1,000,000. Also new this year, 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