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Dear Client;

Glad tidings to all. These trips around the sun go by quickly, don't they? Our new Caesar has nearly a year under his belt. Fortunately he corralled the Grand Old Party to reduce the amount of your treasure that gets sucked into the public coffers. I pray that enough congressional Brutus's have the courage to also reduce future spending, as our national debt is looming large. These changes will start appearing in 2018, for the 2018 tax return.

Page one and two of this newsletter show the 2017 TAX FACT SHEET. Page three refers to our office policies and page four details our Privacy Policy Notice. Page five contains some Obamacare requirements and a section on our "ideal client would. . . ." Page six list our Tier 1 and Tier 2 retention requirements for preparing returns for clients whose child(ren) creates a refundable credit. A separate letter from us is currently being sent again this year to all those affected based on the 2016 tax returns. We are also mailing a separate letter regarding the preparing and filing of 1099's. If you receive these letters please read them and heed their warnings.

Wise men came on the 12<sup>th</sup> day of Christmas. On January 6, according to our current calendar, the babe cuddled in Mary's arms, received his three gifts. In a world of black Fridays, maxed-out credit cards, and vulgar materialism it is sometimes necessary to take some quiet solitude and remember the event of Christmas is the pre-cursor to the greater event we will celebrate in a few months. These two holy events on the calendar also coincide with the dreaded income tax season. For that reason Dedra has attended seven days of professional instruction and I suffered through another five days. We will employ our ever valuable secretary Gina in mid-January. It is always a good idea to write down your appointment time and date and Gina will repeat it upon ending her conversation with you. Please understand that we do not give reminder calls nor do we make appointments by email.

We live in a dangerous world and it behooves all of us to cherish our uniformed brothers and sisters. We do this here by remembering them in our prayers and by giving them a tax preparation break on a case by case basis. Please have a peaceful and prosperous 2018.

Sincerely,

Barry P Lindenbusch  
President

## 2017 TAX FACT SHEET

. . . . **THE STANDARD DEDUCTION:**

Married Filing Jointly	under 65	\$ 12,700
Married Filing Separately	under 65	\$ 6,350
Head of Household	under 65	\$ 9,350
Single	under 65	\$ 6,350

The above standard deduction for those who are either 65 or legally blind is increased by \$1250 or \$1550 per person depending on filing status.

. . . . **10% TAX BRACKET:** is built into the tax tables for the very first dollars taxed. \$9325 for single and married filing separate, \$13,350 for head of household and for married filing joint the amount is \$18,650.

. . . . **THE TAX BRACKET FOR 2017:**

Married Filing Jointly	you leave the 15% bracket and enter the 25% when taxable income hits \$75,900.
Married Filing Separately	you leave the 15% bracket and enter the 25% when taxable income hits \$37,950.
Head of Household	you leave the 15% bracket and enter the 25% when taxable income hits \$50,800.
Single	you leave the 15% bracket and enter the 25% when taxable income hits \$37,950.

. . . . **THE PERSONAL EXEMPTION:** for 2017 is \$4050 (exemptions to be repealed in 2018).

. . . . **THE BUSINESS MILEAGE:** rate for 2017 53.5 ¢ per mile

**THE MEDICAL MILEAGE:** rate for 2017 17.0 ¢ per mile

**THE CHARITABLE MILEAGE:** rate for 2017 14.0 ¢ per mile

. . . . **THE SELF EMPLOYED HEALTH INSURANCE:** deduction for 2017 is 100% of your premiums or net earnings from business whichever is lower. This deduction is an adjustment to income on the front of the 1040 and does not reduce FICA & Medicare. Also available to Sub Chapter S shareholders who own more than 2% of the Corporation.

.... **THE SECTION 179 ELECTION TO EXPENSE:** 2017 maximum deduction is \$510,000.

.... **DEPENDENT CARE CREDIT:** If your AGI is between \$15,000 and \$43,000 you can receive a credit ranging from 20% to 35%. For taxpayers over \$43,000 in AGI, the credit remains 20%. The credit is based on \$3000 for one child or \$6000 in daycare for two or more children. This amounts to \$600 to \$1050 if you have one child or \$1200 to \$2100 for 2 or more children. Remember to get the child care providers Name, Address and ID# (social security number if provider is an individual).

.... **THE CHILD TAX CREDIT:** For a child 16 and under: 2017 is \$1000.00 per child.

#### The “Lucky One Percenters” 2017 tax hits

.... The top marginal income tax bracket for married taxpayers with Adjusted Gross Income (AGI) over \$470,000 is 39.6%. For single taxpayers the Adjusted Gross Income threshold is \$418,000.

.... The long term capital rates for the same AGI and filing status listed above is 20%. The increase to 20% also affects qualified dividend income.

.... The Phase-out on itemized deductions and exemptions for married taxpayers is \$313,800 AGI and single taxpayers is \$261,500 AGI.

.... The 3.8% tax on net investment income will hit married taxpayers with AGI's of \$250,000 and single taxpayers with AGI's reaching \$200,000, these thresholds also apply to the 0.9% Medicare tax on earnings. These two new taxes were instituted with the Obamacare legislation and do not appear to be indexed to inflation.

.... The exemption amount for alternative minimum tax (AMT) is \$84,500 for married taxpayers and \$54,300 for single taxpayers.

#### FOR 2018

Many aspects of this letter will be changed for 2018 income tax returns. On January 12, 2018 Dedra is attending an eight hour class focusing on the “Tax Cuts and Jobs Act of 2017” signed by President Trump just before Christmas this year. We will have some new info this tax season, but in-depth tax planning will remain May thru December. Thank You

See also on our website information on:  
Click on [Useful Tax Information](#)

Refundable Credit documentation letter  
1099 Misc Alert  
Employee VS Independent Contractor

## OFFICE POLICY

Lindenbusch Accounting and Tax Service, Inc. is very small and we wish to remain that way. During the income tax season which starts in mid-January and runs through mid-April, our time is a precious commodity. We've grown to the point where we need to share some guidelines with you, our valuable client. We appreciate your trust in us and hope that with these few suggestions our accounting and tax practice can operate more efficiently to better serve you. THANK YOU.

### OFFICE HOURS (during tax season)

8:30 am to 7:00 pm Monday through Friday

8:30 am to 3:00 pm Saturdays after 3 pm by appointment

### OFFICE HOURS (outside of the tax season)

By appointment only. To keep fees reasonable, we do not employ a secretary for the entire year.

### APPOINTMENTS

Please ring the doorbell once and be patient, someone will show you in. Try to be on time or 5 to 10 minutes early. If you are to be more than 10 minutes late, a quick phone call would be appreciated. To reduce communication errors our secretary has been asked to repeat the appointment time, day of the week and date. To help facilitate clear and concise appointments, we suggest that you jot down your appointment. Please refer to our postcard. We do not make reminder calls. If children need to accompany you we have TV, videos, and books/magazines in the waiting room. **NO APPOINTMENTS WILL BE MADE BY EMAIL.**

### DROP-OFFS

Returns dropped off are WELCOME. We ask that you include a daytime, evening and/or cell phone number(s). Tell us the best time to call you.

### INVOICING

If your return is dropped off and picked up later or if it is mailed back to you by us, our tax prep invoice will always be in the file copy folder in the left side pocket (when opened). Prompt payment would be appreciated.

### TELEPHONE

Our secretary will be here from 8:30 am to 5:00 pm Monday through Friday starting mid-January. We would prefer that she make the appointments during those hours. To utilize her even more we ask that as many phone calls, return drop-offs and return pick-ups as possible occur during those hours. Advance appointments (November, December and January) will be taken by either Dedra or myself. Simple questions will be forwarded to one of us and we'll try to call you back as soon as possible. Limited tax planning can be done during your income tax appointment. In depth tax planning will need to be done from May through December. **IF REQUESTED WE CAN SEND YOU A PERSONAL TAX ORGANIZER BASED ON LAST YEARS TAX**

INFORMATION. You can see at a glance all your data from last years return. If interested call to get this tax organizer prior to filing your taxes.

### PRIVACY NOTICES

The Gramm-Leach Bliley Act and the Federal Trade Commission (F.T.C.) restrict the disclosure of personal financial information by us and those in our employ. Because we produce a “financial product or service” Uncle Sam is mandating that we supply you with a notice of our privacy policy. Please refer to our new website for additional privacy information.

**Lindenbusch Accounting and Tax Service, Inc. has never and will never sell or give away in part or in total our clients tax returns, information, client lists, or addresses. Your confidence in us is important and we want you to know that your personal and account information is safe. If you have any questions or concerns, please contact us.**

In fact we’re not that crazy about faxing returns even with the consent of the client. That return can be viewed by anyone on the other end. We furnish a copy of your tax return at the time it is prepared. If you think that you will need an extra copy please inform us at that time and we’ll throw another copy in for no extra charge. If at a later date you need us to make a copy to either mail, pick up or fax a fee of \$20.00 per return will be charged. I really want to discourage faxing tax returns for obvious privacy reasons. Please keep the Grey folder containing the CLIENT FILE COPY of your return that we make for you. That copy has your W-2’s and other source documents attached. We have the capability to E-MAIL returns to the taxpayer(s). However due to security reasons we will not email to a third party. We will only email to the email address provided to us at appointment time. If you drop-off or mail your information to us, please make sure to provide us with your email address.

How long should you keep your records? I’d keep for 5 years documents such as receipts, statements, check registers and computer hard copy. Your actual tax return I’d keep much longer, it has a copy of your W-2’s/1099’s and often your working papers. 50 years of tax returns only take up 2 cubic feet. Any asset that you currently own, if upon sale or liquidation would create a taxable event, you need to keep the documents that show your cost basis for that asset. Depreciation schedules would fall into this category.



If you have a conceal and carry permit, you and your firearm ARE welcome in our office. This castle (your tax info) is protected by the 2<sup>nd</sup> amendment and my willingness to exercise that right. We are not a gun-free zone.

**For OBAMACARE**

- . . . . Bring Form 1095-A Health Insurance Marketplace Statement
- . . . . Bring Form 1095-B Health Coverage
- . . . . Bring the income of any child considered in your household
- . . . . Did you have minimum essential coverage (at least Bronze) health insurance coverage in 2017. Answer this for each person in your household. **Please bring proof of current health insurance.**

**We wish our clients would . . . . .**

- . . . . Arrive 5 to 10 minutes early for appointments, call if you will be more than 5 minutes late.
- . . . . Bring a paper copy of all W-2's, 1099's, consolidated broken statements, K-1's and 1098T's (**college tuition payments transcript/receipts**) with you at tax time.
- . . . . If your student child is under the age of 24 and is working do not let them file their own returns and claim themselves unless discussed. Also know cost of books required for college courses.
- . . . . Bring real estate and personal property tax receipts.
- . . . . Bring any newborn child's social security card and birth certificate.
- . . . . We do not hire a secretary year round. If you need to leave a message on our answering machine we need to **HEAR** your name and telephone number. If it is inaudible you probably will not be called back.
- . . . . Know your child's daycare provider's and if new bring their name, address and ID number with you. Have total amounts per child and per provider. Also let us know if you participated in the cafeteria plan for daycare.
- . . . . Look at your return in our office or when you get home. Make sure names, addresses and social security numbers are correct, number of dependents are correct and direct deposit information is correct and or updated (bank routing number and your account number).
- . . . . If your return is not finished or is dropped off to us, make sure when you pick it up you review the front page (comparing it to last year's return is a good idea) and promptly sign the **federal and state e-file signature forms** and get them back to us. Faxing them is perfectly acceptable.

There are TWO TIERS of documents that the preparer must receive and retain in order to properly prepare and e-file your return. WE WILL NEED AT LEAST ONE ITEM FROM EACH TIER.

TIER ONE  
PROOF OF CHILD(REN) RELATIONSHIP

- ..... Social Security Card
- ..... Birth Certificate
- ..... Adoption Papers

TIER TWO  
PROOF THAT CHILD(REN) LIVES WITH CLIENT  
Documents that have child(ren) names and address

- ..... \*School records, school letter, report card
- ..... Landlord or property records
- ..... Health care provider statement
- ..... Medical records
- ..... Childcare provider statement
- ..... Placement agency statement
- ..... Social service records
- ..... Place of Worship statement
- ..... Employer statement

We need to collect tier two documents each and every year on each child.

\* In addition to school records that anchor a college age child to your residence, we will also need Form 1098-T AND your dependent students tuition payment transcript for last year as well as the cost of books. We will need this information to file for any tuition credits or education deductions.

It is sad fact in today's world we have cyber-criminals running rampant. Until our citizens force our non-responsive government to treat them as they should be treated, then we will have much more of it. We as a country need to inflict crushing penalties on domestic and foreign "hackers/thieves". Their crimes include, but are not limited to; identity theft, false filing of entire tax return, sale of stolen social security numbers, stealing children's social security numbers, bank and credit card fraud, compromising medical records, etc, etc.

Dedra and I have taken many measures including acquiring cyber insurance to mitigate any breach. No one is out of reach from these criminals. Even the IRS, the military, state governments and the largest companies are getting hit. If your return is e-filed rejected for identity theft or any other reason that is not the fault of Lindenbusch Accounting & Tax Service, Inc., there will be an additional fee. For this reason we are increasing the fee for e-mailed, mailed or copies of any tax return other than the original file copy that you received at tax time. That charge is now \$30 per return. Remember, for e-filing the original there is no charge. So please take care of your file copies and put them in a safe accessible place. Thank you.