Taxing Solutions

GEORGE H. HERRO
CERTIFIED PUBLIC ACCOUNTANT, S.C.
Business and Tax Advisors

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a periodic newsletter for the clients and friends of George H. Herro, CPA, S.C.

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Tax Season Office Hours

GERMANTOWN Office:
Monday-Friday
8:30 a.m. - 5:30 p.m.
(beginning 1/29/18)

Saturdays
9:00 a.m. - Noon
(beginning 2/10/18)

MEQUON Office:
By appointment only

Important Dates to Remember

March 15, 2018
▪ Calendar year 2017 S Corporation & Partnership returns due

March 26, 2018
▪ Extensions to be filed

April 11, 2018
▪ Last day to Efile

April 17, 2018
▪ 2017 Individual returns due
▪ 1Q18 Individual federal and state estimated tax payments due
▪ Calendar year 2017 C Corporation returns due

April 13-17, 2018
Office closed

FROM GEORGE'S DESK

Spring and summer came and went. Fall blew by. Every year it amazes me how fast time goes by. Is life just that busy as we age or has society and technology changed, making it feel like it?

Events this year have kept us all on edge; the mass shootings in Texas and Las Vegas, numerous hurricanes greatly impacting Texas and Florida and destroying the Caribbean, North Korea and their missile testing. We are seeing other challenges as well; hate demonstrations, heroin and opioid pandemic.

Will things get better? You bet! Will it take some time? Yes. There is nothing we can really do to prevent natural disasters, but feel they should be used to learn from and help us get better prepared. As for world politics, that too will take time. We need to give our current leaders our support and the opportunity to try and steer our ship hopefully in the right direction.

Many things to think about and tough decisions are needed. Life is challenging. No way around it. Keep surrounding yourself with good people and advisors and ask a lot of questions.

Sending warm New Year's wishes!

George

THE UPCOMING TAX SEASON

- Tax organizers will be mailed 1/22/18. Watch your mailbox. If you do not receive one, let us know. We will send one out right away.
- If you donate items to charities like Goodwill, please make sure you fill out the slip they give you and put down the value of the donation. We cannot accept a blank form.
- If you plan on emailing us your tax data, please use our safe portal inside our website.
- The due date for individual 2017 tax returns will be 4/17/18.
- We always provide a paper copy of your return. Any additional copies will cost $45. We have stopped emailing or mailing extra copies of returns.
- Please make sure to sign and return our engagement letter with your tax data. It will be included in your tax organizer.
- If filing joint return, both spouses must sign the 8879.
- FYI, we must have the signed 8879 and payment for our fees before we can electronically file your return.
- We will file an automatic extension for those bringing in their tax data after 3/26/18. We need that extra week to stay on top of our workflow. We appreciate your help.

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THE UPCOMING TAX SEASON (*cont.*)

- The State of Wisconsin will hold individual refunds until 3/1/18 if payer supplied forms like a W-2 or 1099 is not in their system.
- Wisconsin will continue to use various tools to verify identity. If you get a letter from them, use it to help speed up the verification process. They will also continue to use their PIN number program as well.
- **The period of April 1 through April 13** continues to be a very busy and challenging time for us. We need to get returns in the office completed, picked up and E-filed. We also need to complete and file extensions for clients and prepare first quarter estimated tax payments and complete corporate returns. We appreciate your patience during this time!

WISCONSIN NEWS

In 2017, the State passed new rules regarding a number of items. Here is a brief list:

1. If a business needs to file 10 or more wage or information returns, the State is requiring employers to file them electronically.
2. Computer and technology equipment are now eligible to be included when calculating educational expense.
3. For 2017 homestead claims filed in 2018, claimants who are under 62 and not disabled must have earned income to claim homestead credit, otherwise, if none, will not be eligible. If you are disabled, proof of disability must be provided with claim filed.

IRS NEWS

Here are some important items for 2018.

- Auto mileage rate will increase to 54.5 cents per business mile driven.
- Social Security wage base has increased to $128,700.
- HSA contribution limits is $3,450 for a self-only plan and $6,900 for family. For those over 55, the catch-up is a $1,000.
- Annual gift exclusion will increase to $15,000 per donee.
- Partnership and S Corporation returns will be due March 15, 2018.
- C Corporation returns will be due April 17, 2018.

NEW TAX LEGISTLATION

As you can see in the accompanying attachment, many rules will change as of January 1, 2018. At this time, our heads are spinning just like yours! We will be studying this new law and will update you with more information. Let us know if you have any questions.

INFORMATION FOR INDIVIDUAL CLIENTS

☑ Check to see if it makes sense to maximize your pension deferral at work for the new year.

☑ For those over 70 ½, please make sure to take your Required Minimum Distribution (RMD) in 2018.

☑ **Identity theft** should still be watched carefully.

1. Make sure your anti-virus software and firewall on your computers are up to date.
2. Keep your records safe by shredding documents no longer needed.
3. Do not share personal or financial information over the internet unless you know them personally.
4. Change your passwords regularly and create strong ones by using capitalization, numbers and symbols.
5. Use only secure, trusted Wi-Fi networks.
6. We suggest you putting a credit freeze on your accounts. Contact the various credit bureaus.
7. Don't open any suspicious emails or click on any attachments you are not familiar with.
8. Do not respond to people posing as IRS agents via phone or email. The IRS and state only initiates communication through the mail. And contact the Treasury Inspector General at 1-800-366-4484 to report any calls or emails you receive.
9. For those who operate a business, contact your insurance agent to investigate if you need 'Cyber Liability with Data Breach' coverage added to your business owner's policy.

☑ **Did you get a notice from the state or IRS?** Let us know right away and bring it to our office to be reviewed. We will let you know what needs to be done.

☑ **How long do I keep records?** Copies of tax returns and all supporting documents need to be saved for seven (7) years. Then shred the rest.

☑ Consider tax impact of future financial transactions. Did you sell any real estate or an investment, did you start a new business, are you thinking about exercising some stock options, will you get a commission or bonus before the end of the year? Any of these moves might have a big tax impact on your taxes.

☑ Are you getting married this year or next year? This would be a good time to review beneficiaries of your 401(k) at work, any IRAs you have, your insurance policies and other assets. Also, assess your debts and how they will impact your new joint financial plan.

☑ Make sure your Will and Power of Attorney documents are up to date.

☑ Have you created a life guide showing passwords and login information to share with a trusted individual?

There could be other things to consider and think about. Don't know where to start? Start making your notes and contact a good advisor. For years we have surrounded ourselves with professionals in various areas to help our clients so don't delay. Contact us.

INFORMATION FOR BUSINESS CLIENTS

☑ Now is a good time to check your internal control to make sure your accounting, information technology, and other systems are running smoothly.

☑ Make sure you are up to date with Department of Labor Laws and rules.

☑ Do you have a plan in place in the event you have a data breach or theft of client/customer information? Check with your insurance agent and others in your industry to help develop.

☑ Do you have your succession plan in place? Don't wait as this can be a lengthy process.

FIRM NEWS

We continue to meet existing and new clients at our **Mequon office,** by appointment only. We are located inside Partnership Bank on Port Washington Road.

Our fees. We wanted to share with you a brief list of items that are not included in the cost to prepare your return. These fees will be billed separately and at the time we provide service:

1. Extra copies of tax returns.
2. Preparation of tax projections throughout the year.
3. During the year, you might have questions that will require an appointment with us. We will charge you for the time we spend with you in that meeting. An example would be asking us to calculate the tax impact on the sale of stock.

For simple quick calls or emails, we are willing to give you a quick answer, at no charge and will let you know when your question needs more attention. We are very proud of the 60 plus years we have been able to help our clients. Most of you know and come to understand the value we provide each time we meet, talk on the phone or respond to an email. We have many years of experience, attend many hours of continued professional education and surround ourselves with talented professionals and peers, all to help you. We would be happy to discuss our fees at any time. Just give us a call.

Do you know someone who needs help? We are always looking for new clients and the best ones come from you. We appreciate your recommendation and confidence in us.

Do you have a question, concern or comment? Let us know. We enjoy serving you!

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Our Mission

To provide services that help clients conserve capital and minimize taxes.