

## December 2017

This is an appropriate time to get your income tax “house” in order for 2017. We want to bring some special items to your attention below.

### Changes in Office Procedures

- **SPOUSES WILL NOT BE ALLOWED TO SIGN FOR EACH OTHER. Due to instances of fraudulent signatures, EACH SPOUSE MUST COME IN TO SIGN ALL PAPERWORK.** Parents will no longer be allowed to sign for their children.
- Our operating hours for tax season (January 15 – April 17) have changed. On Monday, Wednesday, and Friday, we will be open from 9 am – 5 pm (including the lunch hour). On Tuesday and Thursday, we will be open from 9 am – 7 pm to accommodate those unable to come in during regular hours. We will be open Saturdays by appointment only.
- We are requesting clients to try to have their tax information to us at least two weeks earlier than normal, and **no later than March 17, 2018.**
- Our tax return preparation fees include the preparation of your tax return only. If your information requires us to do bookkeeping prior to beginning your return, that will incur charges additional to the tax return preparation fees.

### “NO-CLICK” Policy

The IRS has determined that one of the prime targets of data theft is tax preparers. Because so many electronic intruders get in via email attachments, we have instituted our national tax professional security advisor’s recommendations; **we will not open ANY documents that you have sent via e-mail.** This single step combined with our security software and other steps makes it extremely difficult for electronic intruders to get through our defenses. This brings the question about how you will get your data to us and vice versa. We will accept data from you only in the following ways:

- Surface mail
- In-person drop-off
- Fax

We know these changes will cause some hassle on your (and our) part, but it is the best way to protect your and our confidentiality.

### Tax Refund Delay

The IRS expects the earliest Earned Income Tax Credit/Additional Child Tax Credit related refunds to be available in taxpayer bank accounts or debit cards starting **Feb. 27, 2018**, if they chose direct deposit and there are no other issues with the tax return.

In addition, even though the IRS issues most refunds in less than 21 days, it’s possible your refund may take longer. Also, remember to take into consideration the time it takes for your financial institution to post the refund to your account or for you to receive it by mail.

Expect delays of EIC and ACTC refunds for returns filed after February 27<sup>th</sup> also. **The IRS will take extra time looking at these returns as well.**

## **Tuition and Fees**

Continuing with 2017 returns, taxpayers claiming the American Opportunity Credit must furnish the education institutions' EIN. Educational institutions must now report the amount PAID during the year, not the amount billed. Therefore we are required to see actual 1098-T forms.

## **Affordable Care Act**

Please provide all copies of Forms 1095 you received from any issuer. We **MUST** have all copies to prepare your tax return. If you did not receive a 1095, we must ask you a number of additional questions about insurance coverage so that we can help you avoid any penalties for failure to have health insurance.

## **Health Care Deductions**

The tax bill of 2013 reduced your deduction for medical costs, including health insurance, for 2017. The amount of your medical expenses in most cases must now be more than 10% of your income before we can deduct anything, so weigh carefully whether to go to the trouble of summarizing these costs. If you are self-employed we still need to know how much you paid for health insurance.

## **Charity**

ALL deductions of ANY amount must have a receipt. Any individual contribution over \$250 must also have an acknowledgment letter from the charity, and the letter must be dated by the date we file your return. The letter should show the date and amount of any individual contribution over \$250, and should also state that no goods or services were received in return for the contribution.

## **Mortgage Interest**

Provide ALL Forms 1098 you receive from your lenders. Additionally, we must obtain refinancing closing statements, and if you drew money out on a home mortgage or refinancing we must have general information on the use of the money according to the IRS.

## **Rental Property**

If you own rental property, this year the IRS has demanded substantially more information. We now need, **FOR EACH PROPERTY SEPARATELY**, the physical location, the type of property (single family, duplex, etc.), and Forms 1099 received, and a record, by property of the number of days rented and the number of days used for personal purposes.

## **Roth IRA Conversions**

You will be continuing to hear from lots of “experts” this year that you need to convert your retirement accounts to Roth IRAs. While there are a number of advantages to conversions, there are an equal number of disadvantages that carry some major tax consequences. Please do not convert your accounts in 2017 without coming in to see us to discuss both the positives and negatives. ***All conversions for 2017 must be completed by December 31, 2017.***

## **Foreign Accounts**

If you have read any news in the last year you know that the IRS is looking closely for offshore accounts. If you have an account, retirement account, or business interest with a value over \$10,000 in a foreign country, or a foreign business ownership (not through a mutual fund) please let us know as some special rules will apply to you. There are substantial penalties for failure to disclose these items.

## **Other Income**

If you have any income from AirBNB, Turo, Etsy, eBay or similar consumer to consumer programs, please let us know because many income tax rules are affected and few of these sites provide you with adequate tax information.

## **Future Income Tax Rates & Other**

We highly recommend that when you are getting your information to us for your 2017 Federal tax return that you set an appointment for an after-tax season “Tax Tune Up” to examine tax and estate planning strategies. If your income is over \$200,000 it is almost mandatory that we meet for future tax planning because of surtaxes.

There are literally hundreds of other changes, extensions and deletions that we will consider this year while preparing your return. Because of these changes, we are requesting clients to try to have their tax information to us at least two weeks earlier than normal, and **no later than March 17, 2018**. Please rest assured that we will utilize our best resources to once again provide you with timely, complete and accurate service while keeping your tax burden to the lowest legal amount.

Thank you again for your continued business.

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