

Angel Accounting, LLC

PUBLIC ACCOUNTANTS – ADVISORS – ENROLLED AGENTS

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Dear Valued Client,

Once again a New Year is upon us! We hope your Christmas and Holiday Season were full of joy as you wrapped up the 2017 year. On December 22, 2017 President Trump signed into law the 2017 Tax Cuts and Jobs Act. Nearly everything in the Act went into effect on January 1, 2018, with one or two items retroactively effective. You can be assured we are staying abreast of all the latest changes as they occur!

This year we have a small change in how we distribute our client tax worksheets. In the past many were not used and in order to reduce paper waste we are implementing two ways to get them. The first way to get one is to call the office and request it mailed or emailed to you. The second way is to visit us at our company website www.angelaccounting.net, click on the Resources tab and then Client Tax Worksheets to download them as a PDF. While gathering your 2017 tax information, please take note of the topics included herein before you submit/mail/drop off your forms and data to us.

Remember, as always, W-2s and 1099s need to be in the mail to the recipients by January 31st. You are required to send a 1099 to anyone you paid contract labor, machine hire and/or rent of \$600 or more in 2017. If you would like us to prepare these forms for you, please let us know as soon as possible so we have time to get them processed. **Extremely Important:** The IRS is cracking down on its requirement that 1099 recipient names and Federal ID numbers match IRS records. If the name and ID number do not match, you will receive a letter and possibly a penalty from IRS. For example, a Social Security Number needs to be coupled on the 1099 with an individual's name, not a business name. You may need to double check names and ID numbers with your recipients prior to having us process these forms.

Security

As in last year, we will need your Driver's License information to e-file your return. This is to help insure that your identity was not stolen and used by a perpetrator to file a fraudulent tax return.

Affordable Care Act

Contrary to popular belief you must still have qualified health insurance for all family members in 2017 or pay a penalty. Many Americans are joining "Health care sharing ministries" for health insurance, but there is no tax deduction allowed with these types of plans, even though they keep you from paying a penalty for not having insurance. **If you received a Form 1095 from any issuer or agency we MUST have all copies to prepare your tax return.**

Charity

ALL deductions of any amount must have a receipt. Any individual contribution over \$250 must also have an acknowledgement 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.

If you are over 70 and ½ with an IRA please remember you can use a portion or all of your RMD as a charitable contribution.

Roth IRA Conversions

You will continue 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 without consulting us to discuss both the positives and negatives. All conversions for 2017 must have been completed by December 31, 2017.

Other Income

If you have any income from BitCoin, 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.

Tax Planning

The simplest and most effective tax planning tool for all Americans of all income levels is full participation in retirement plans. Make sure you maximize your 401-k deferral if available and contribute to tax-deductible IRAs.

Check your employee handbook and see what other fringe benefits are available at work and call us if you aren't sure if it will benefit you. Some of the best fringe benefits provided by employers include cafeteria (or 125) plans, as well as child care plans and wellness programs. Many taxpayers have unused amounts left in pre-tax healthcare flex spending (cafeteria/125 plans).

Billing/Payment for Tax Services

We have experienced a wonderful blessing of business growth and have implemented a way to make sure all accounts are billed and collected timely. We are requiring full payment for all services related to your tax return at the time your return is e-filed. The tax preparation fee can be paid by cash, check, debit/credit card or electronic debit of a bank account. Clients who have had fees electronically debited for their tax preparation when tax refunds deposit into their bank accounts can continue to use this form of payment. This change is to make your tax preparation experience more efficient and cost effective for you. Thank you for your patience as we implement this system.

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 everyone to try to have their tax information in to us at least two weeks earlier than normal, and no later than March 21, 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 support.

Sincerely,



Gene R. Angel, E.A.
Public Accountant



Ryan M. Cook, E.A.
Public Accountant



Heather M. Lyle, E.A.
Public Accountant