

THE SMALLBIZ BUILDER

Planning For Your Dreams



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This Month:

- Tax Cuts and Jobs Act – How Does It Impact You?
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Tax Cuts and Jobs Act – How Does It Impact You?

What can you expect in 2018 as a result of the Tax Cuts and Jobs Act? For starters, you may see a change in your paycheck as early as February since the IRS just released the revised 2018 federal tax withholding tables. Most of the other changes will appear when you file your 2018 income tax return in 2019. For example, you may no longer be able to itemize since the standard deduction nearly doubled to \$24,000 for married filing joint and \$12,000 for single filers.

The increase in the standard deduction along with lower tax rates and expanded child care tax credit should help offset the loss of the personal exemption deduction and some popular itemized deductions for middle-class families. Schedule an appointment with us to review your personal tax position for 2018 and determine if there are any strategic moves you can make this year to reap the benefits of the new tax law.

2018 Filing Season Begins!

The IRS has announced that it'll begin accepting 2017 tax returns on Monday, January 29th. This is approximately one week later than last year, which gives the Service time to determine how the passage of the Tax Cuts and Jobs Act in late December will impact tax returns and ensure key processing systems are ready. The deadline for filing your 2017 individual return is Tuesday, April 17th, since April 16th is Emancipation Day, a legal holiday in Washington D.C.

Choosing to e-file and direct deposit your refund remains the safest and fastest way to accurately file your return and receive a refund. The IRS expects to issue more than 90% of refunds in less than three weeks. However, by law the Service cannot issue refunds on tax returns claiming the Earned Income Tax Credit or the Additional Child Tax Credit before mid-February. The IRS will begin accepting paper-filed returns on January 29th as well, but won't start processing them until mid-February as systems continue to update.

Season of Risk – Protecting Clients and Their Data



Safety of your personal information and the threat of identity theft is one of the top concerns today by taxpayers. Because of this, here are a few things to consider when selecting a tax preparer for your business:

Preparer Credentials. The IRS requires anyone who prepares or assists in preparing federal tax returns for compensation to have a valid Preparer Tax Identification Number (PTIN). Additionally, your preparer should have a professional designation such as a Certified Public Accountant (CPA) or Enrolled Agent (EA) which requires them to attend continuing education classes.

Preparer History. Consider how long the preparer has been in practice, reputation in the community, their professional network, and what resources they have available. You can also check for disciplinary actions and licensure status through the state boards of accountancy, the state bar associations for attorneys, and the IRS Office of Enrollment for enrolled agents.

Preparer Specialty. Most tax preparers develop a focus, such as, trusts and estates, or small business returns. Make sure they specialize in an area that meets the specific needs of your business.

Preparer Availability. Make sure the tax preparer is accessible so that you can contact them year-round, not only just during tax-season! Consider if they are staffed properly to handle your needs.

The recently passed Tax Cuts and Jobs Act is the most extensive tax law of the past three decades, meaning you should take a closer look at your tax situation than at any time during the past three decades. Because your tax preparer also serves you as a trusted advisor, here are additional factors to consider when evaluating your tax preparer:

- The tax preparer clearly explains things to you in a way you understand.
- The tax preparer solves your problems using their available resources.
- The tax preparer views your account as a priority.
- The tax preparer gives good value for a reasonable fee.
- The tax preparer provides timely information and advice on a regular basis.

It takes an educated professional to properly sort your business transactions into taxable income and expenses to the government's satisfaction. Monthly, quarterly and annual reports are governed by strict regulations and doing things incorrectly may result in heavy penalties!

We thank you for your trust in our ability to safely maintain your information, to keep you out of harm's way, and to provide you with exceptional accounting and tax services.

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PADGETT BUSINESS SERVICES® is dedicated to meeting the compliance, profit & financial government reporting and payroll needs of businesses with fewer than 20 employees in the retail and service sector of the economy. This publication suggests general business concepts that may be appropriate in certain situations. It is designed to provide complete and accurate information to the reader. However, because of the complexities of the tax law and the necessity of determining whether the material discussed herein is appropriate to your business, it is important you seek advice from your Padgett office before implementing any of the concepts suggested in this newsletter.