

Tax Tips

Newsletter 2018-2019

From Deanna's Desk

Tax time has come around again this year. The new tax law does not necessarily mean tax simplification. There are over 1,000 pages of new tax law. There are deductions and credits that will affect many taxpayers. We are excited about the positive part of the new laws.

Some positive changes:

- 2018 Standard Deduction is Single \$12,000 MFJ 24,000 HH \$18,000 MFS \$12,000
- Tax Credit for dependents under age 17 is \$2,000
- New Family Credit for dependents age 17 and over of \$500
- American Opportunity Credit and Life Learning college credits are still available
- Earned Income Credit is still available
- New Qualified Business Income Deduction (QBI)
- The city of Jackson is e-filing for 2018

There are some changes that do not excite us:

- There is no deduction for personal exemptions or dependents
- IRS is requiring additional information and documentation to claim many of the tax credits – which means we may be asking for more information and documentation from you than we have in years past

Check out our new WEBSITE. There is a lot of information. You will be able to meet our staff. We have one new tax preparer and two new support staff along with the staff that have been with us for years.

We like when you send us information

Before you upload and hit send take a minute to review your information to make sure it is legible and complete. This will enable us to complete your return without delay because we couldn't read your information. Remember, if you can't read it, neither can we.

Daycare Meals	7/1/17-6/30/18	7/1/18-6/30/19
Breakfast	1.31	1.31
Lunch/Dinner	2.46	2.46
Snack	.73	.73

Hawkins Accounting, Inc

2904 Francis St
 Jackson, MI 49203
 (517) 782-0600 phone
 (517) 782-0360 fax
 office@hawkinsaccounting.com
 www.HawkinsAccounting.com

Jan – April 2019 Business Hours

Monday – Saturday 9am to 5 pm
 Monday- Thursday Evenings (By Appointment)
 Saturdays (Starting Feb 2 – By Appointment)

HAWKINS ACCOUNTING IS READY!!!

Our income tax software is in and has been checked. The staff is well educated. We have been going to income tax classes this fall. Our tax preparers are certified in the IRS AFTR program. Three of our preparers Liz, Linda, and Theo have had advanced training in the preparation of clergy taxes.

We encourage you to come in to have your taxes prepared as soon as you have all your year-end information. By coming in early you will be first in line when we are able to efile beginning January 28th.

Standard mileage rates 2018 - 2019	2018	2019
Business	54.5¢	58.0¢
Medical & Moving	18¢	20¢
Charitable	14¢	14¢

Claiming the EARNED INCOME TAX CREDIT (EITC) or ADDITIONAL CHILD TAX CREDIT (ACTC)

Taxpayers claiming these credits should expect refunds to be available on or about **February 15, 2019**, provided the refund is to be direct deposited and there are no other issues with the tax return. The PATH Act enacted in 2017 requires the IRS to hold refunds - even the portion not associated with EITC or ACTC until mid-February.

BEWARE: Income Tax Scams

Tax scams are rising and can occur by telephone, e-mail or by regular mail. IRS impersonators will use any means necessary to scam money including bullying, intimidation, arrest threats, and deportation. PLEASE be vigilant and remember, the IRS will **never** do any of the following:

- Call you to demand immediate payment
- Demand payment in the form of prepaid debit cards, gift cards or wire transfer
- Threaten to have you arrested by local police or any other law enforcement group
- Ask for your credit or debit card number over the phone
- Demand you pay a tax bill without the chance to question or appeal the amount owed

New 20% Qualified Business Income Deduction

If you have qualified business income from a sole proprietorship, pass through entity, trust or estate you may be eligible to deduct up to 20% of the business income on your 2018 income tax return

Just A Reminder to ALL clients:

Please bring your property tax statements to your tax professional. If you do not receive them in the mail, please contact your township or city office to get a copy of both winter and summer taxes. You as the taxpayer can get a free copy but most township offices charge us a fee.

2018 Changes for Itemized Deductions

State and local tax payment deductions are now limited to \$10,000 per tax year

Miscellaneous deductions to the extent that they exceed 2% of adjusted gross income such as:

- Unreimbursed employee expenses
- Tax preparation fee
- Investment expenses
- Job search expenses
- Hobby expenses
- And Safety deposit box fees

Have all been eliminated

High-Low Per Diem Rates			
Effective 10/1/17 - 9/30/18			
Location	Lodging	Meals	Total
High-Cost	216.00	68.00	284.00
All other	134.00	57.00	191.00

MICHIGAN 6% SALES TAX INFORMATION:

Have you started a business in 2018

Do you sell merchandise online?

Do you know you should be collecting sales tax ?

Any Michigan business that collects 6% Michigan Sales Tax on items sold must file an annual return. We can prepare your MICHIGAN ANNUAL SALES TAX RETURN that is due by February 28 each year. Please call Darlene for more details and to make your appointment before February 12, 2019.

2018 Income Tax Brackets

Tax Bracket	Single	Married filing	
		Jointly	Head Of Household
10%	Up to \$9,525	Up to \$19,050	Up to \$13,600
12%	\$9,526 - \$38,700	\$19,051 - \$77,400	\$13,601 - \$51,800
22%	\$38,701 - \$82,500	\$77,401 - \$165,000	\$51,801 - \$82,500
24%	\$82,501 - \$157,500	\$165,001 - \$315,000	\$82,501 - \$157,500
32%	\$157,501 - \$200,000	\$315,001 - 400,000	\$157,501 - \$200,000
35%	\$200,001 - \$500,000	\$400,001 - \$600,000	\$200,001 - \$500,000
37%	\$500,001 or more	\$600,001 or more	\$500,001 or moore

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We will be posting information from time to time to keep you updated on any new tax laws. You can also check our Facebook page. www.Facebook.com/HawkinsAccountingInc