

Tax Tips

Newsletter 2019-2020

Getting married or divorced?

Things you need to know when changing your name or address

- You must notify the Social Security Administration (SSA) and get a new Social Security card.
- You should do this before filing your next tax return. The IRS computers check your name and Social Security number against SSA's records. If your name doesn't match exactly, that could cause e-file rejections or delays in processing your tax return.
- Download the Application for a Social Security Card . You can either mail in your name change request or visit a local SSA office.
- Be sure to tell us of the name change so we can update our records with your new name and file your tax return correctly.

Moving?

Let us know, we can notify the IRS of your new address so any important letters or notices will reach you without getting lost in the mail .

Daycare Meals	7/1/18-6/30/19	7/1/19-6/30/20
Breakfast	1.31	1.31
Lunch/Dinner	2.46	2.46
Snack	.73	.73

Reminders

- **April 8, 2020** Last day to contact your tax preparer to request an extension** of time to file.
- **April 15, 2020** Last day to file Federal Individual Income Tax.

**Please remember that an extension of time to file your tax return is exactly that - an extension of time to file. It does not extend your time to pay the IRS, State, or Local government taxes should you owe for 2019.

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 2020 Business Hours

Monday – Thursday 9am to 7pm
Friday 9am to 5pm
Saturdays (Starting Feb 1 – By Appointment)

Data Security

Protect your personal information

The easiest way for criminals to steal sensitive data is to simply ask for it!

Be suspicious of anyone contacting you by email, phone calls, or text claiming to be from a bank, credit card company, police departments, utility companies, or even the IRS.

Scammers attempt to lure you into giving them your personal information such as passwords, bank account numbers, or credit card numbers.

Remember that the IRS does not initiate contact with taxpayers by email, text message or social media channels.

Keep your information secure by following these do's and do nots

DO:

- Look for an "https" at the beginning of a web address
- Use at least 10 characters and mix letters, numbers and special characters.
- Use phrases that you will remember and mix with letters and numbers
- Use a secure password generator
- Change your Wi-Fi standard password to something only you and your family will know
- Copy vital files, including federal and state tax returns (**or ask us about our encrypted portal**) onto a back-up drive and store it in a secure place
- Look at using a Virtual Private Network to add an extra layer of security to your Wi-Fi

DO NOT:

- Click on links provided in emails.
- Use names, birthdates or common words as passwords
- Use the same password for multiple accounts
- Share streaming service passwords

Don't forget to educate children about all these data security measures as well!

Avoid passport revocation Pay your tax debt

The IRS is urging taxpayers to resolve their large tax debts to avoid putting their passports in jeopardy.

- If you owe \$52,000 or more, the IRS will notify the State Department.
- The State Department is required to deny any passport application or renewal for such taxpayers.
- If you are delinquent and currently have a valid passport, the State Department may revoke the passport or limit your ability to travel outside the United States.
- The IRS will send you a notice that explains what steps you need to take to resolve the debt.

If you think you are in this situation, contact us to discuss how we can work together to resolve any tax debt, even if you haven't received a notice yet.

High-Low Per Diem Rates			
Effective 10/1/18 - 9/30/19			
Location	Lodging	Meals	Total
High-Cost	\$216.00	\$71.00	\$287.00
All other	\$135.00	\$60.00	\$195.00

Federal Application for Federal Student Aid (FAFSA)

Do you need help completing the income portion of your application for student aid? Ask your tax preparer to provide you with a FAFSA worksheet compiled directly from your 2018 tax return.

2019 ACA Affordable Care Act

Under the Tax Cuts and Job Act, passed December 22, 2017, the amount of the individual shared responsibility payment is reduced to zero for months beginning after December 31, 2018. In other words, there is **no** penalty for not having health insurance during 2019.

****If you had health insurance through the marketplace, we will still need Form 1095-A Health Insurance Marketplace Statement to complete your tax return.***

What to do if you receive a letter from the IRS, State or City Treasury

We can help, but **WE MUST HAVE A COPY OF THE NOTICE**. Go directly to Hawkins Accounting. Do not pass go, do not collect \$200. In most circumstances, these notices are time sensitive and require a written answer.

There are many ways to get letters to us

- Come to the office
- Email it to us at
office@hawkinsaccounting.com,
- Fax to 517-782-0360,
- Place in our drop box located on our

What are Qualified Charitable Distributions (QCD)?

A **QCD** is a direct transfer of funds from your IRA (**only IRAs**), payable to a qualified charity.

- **QCD's** can be counted toward satisfying your required minimum distributions (**RMDs**) for the year, as long as certain rules are met.
- In addition to the benefits of giving to charity, if the distribution is sent from your IRA directly to a charity, it **is not taxable**
- Excluding the amount donated from taxable income keeps your taxable income lower. This may lower the amount of taxable Social Security
- QCDs don't require that you itemize, which means you can take advantage of the standard deduction of \$12,000 (single), \$24,400 (MFJ) and, \$18,350 (HH).

What kind of charities qualify?

The charity must be a 501(c)(3) organization, eligible to receive tax-deductible contributions.

It is important to let your tax preparer know if you did have the distribution sent directly to a charitable organization.