



## Tax Advantageous January 2016

Be Tax Advantageous

*Martin A. Sullivan: "There may be liberty and justice for all, but there are tax breaks only for some*



## Happy January!

It's time to begin gathering your tax documents, some of which you may have already received.

The IRS begins accepting tax returns on January 23<sup>rd</sup> this year. However, some of the forms you will need to file your return may not be finalized by then, or you may not receive several forms until later in the tax season. Be patient. It's easier to file a correct return, than file an amended return, not to mention paying for an amended return in addition.

If you had your taxes prepared by my offices last year, you should be receiving a letter indicating tax documents which were required for your 2015 taxes, and possibly may be needed this year. See page three for our extensive tax checklist.

**2016 TAX HIGHLIGHTS.** If you were a victim of identity theft, you will be receiving a onetime PIN from the IRS. Last year, the year on this notice was wrong, causing many taxpayers to discard the notice, which resulted in difficulty filing their tax returns. So if you are expecting to receive a PIN number, be on the lookout for this letter.

You may also receive a 1099 or W2 forms. These forms were and remain, due by January 31<sup>st</sup>. However, in previous years companies had until the end of February to file their copies. The deadline has been moved to January 31<sup>st</sup> for issuers of these forms beginning in January of 2017. If you have 1099's or W2's to issue, begin to gather your information, to ensure timely filing.

You will also be receiving a 1095 form (B or C, or possibly a combination of) by January 31<sup>st</sup>. If you purchased insurance coverage through the marketplace, you should receive form 1099A. If on Medicare, proof of coverage is on your Social Security statement. If you did not have health insurance during 2016, or part of, you may be subject to a penalty also known as a "Shared Responsibility Assessment."

For tax year 2016, the penalty will rise to 2.5% of your total household adjusted gross income, or \$695 per adult and \$347.50 per child, to a maximum of \$2,085.

For tax year 2017 and beyond, the percentage option will remain at 2.5%, but the flat fee will be adjusted for inflation.

If you are receiving the Earned Income Credit or the Additional Child Tax Credit, your refund will not be processed until after February 15, 2017. So if you were expecting a refund from either of these credits, plan on a delay. You can track your tax refund status on my website ([www.taxadvantageous.com](http://www.taxadvantageous.com)) under the heading "Where's My Refund".

Some tax deductions have been extended through this year: The general sales tax deduction, the educator deduction and a charitable contribution for seniors 70 and a half or older who wish to make a charitable contribution can contribute up to 100K to a recognized charity in the form of a RMD from a retirement account.

If you have any questions about these or other tax regulations, feel free to call me offices with questions.



## RAM Continues To Be Advantageous To Meet The Needs Of Our Bookkeeping & Tax Clients.

Are you tired of paper? You may request to receive your tax returns electronically. As usual you'll receive the e-file form 8879, which you will still need to sign and return (scanned and emailed or faxed) before the return can be sent. Your e-Copy will be securely sent with password protection. Your password will be unique to you, easily remembered, and secure.

We will continue to send you a printed version, if requested, as we have in the past. However requests for additional copies or copies of prior years will be billed at \$25 per return, for PDF or hard copy.

REMEMBER... It's important that your documents be filed away safely. So you may wish to invest in a USB hard drive dedicated to your important documents – storing it within a fire-proof safe. Scanning significant paperwork at first takes a little time but truly worth it in the end.



**Tax-Fraud.** Although the phone calls from individuals or companies claiming to be from the IRS are decreasing, there are new attempts to defraud not only the public but preparers as well.

Do not give out your information to anyone when you are unsure of the validity of the request. Ask for a number to call them back.

Do not open files from a company or individual you do not know. Change your passwords regularly and keep

them secure. While it may be relaxing to surf the net while sipping a cup of java, be aware that the internet in these places is not secure. Save work for your home with a secure internet and read your favorite magazine or Kindle books when relaxing at a coffee shop.

However diligent you may be, sometimes you find yourself a victim of fraud or identity theft.

### Steps to Take When a You Become a Victim of Identity Theft

- File a police report.
- File an FTC complaint at [www.ftc.gov](http://www.ftc.gov) and learn how to respond to it at [identitytheft.gov](http://identitytheft.gov)
- Contact one of the three major credit bureaus to place a fraud alert on the taxpayer's credit records:
  - Equifax, [www.Equifax.com](http://www.Equifax.com), 1-800-525-6285
  - Experian, [www.Experian.com](http://www.Experian.com), 1-888-397-3742
  - TransUnion, [222.TransUnion.com](http://222.TransUnion.com), 1-800-680-7289
- Contact your financial institutions and close any accounts opened without your permission, or accounts that have been tampered with.

If your Social Security number is compromised and you know or suspect you are a victim of tax-related identity theft, take these additional steps:

- Respond immediately to any IRS notices and call the number provided.
- Complete IRS Form 14039, Identity Theft Affidavit. Use a fillable form at [www.irs.gov](http://www.irs.gov), print, then mail or fax according to the instructions on the form.
- Continue to pay taxes and file tax returns, even if paying and filing returns must be done by paper filing.

If you previously contacted the IRS and did not have a resolution, contact the Identity Protection Specialized Unit at 1-800-908-4490.

## About Rhonda

Rhonda has built an active practice in Las Vegas, NV, where she serves the tax planning and compliance needs of several hundred owner-managed businesses and individuals. With over 25 years of experience dealing with IRS audits, collection activity, tax planning and preparation, she is a strong proponent of face-to-face involvement with clients in order to provide pro-active planning and to take advantage of new developments in tax laws.

Rhonda uses her practical experience and additional certifications as an Intuit Pro Advisor and Accredited Retirement Advisor to further serve the needs of her business clients as well as her clients facing or currently in retirement.

Rhonda completed her education in New York; gaining experience in New York, Florida and Las Vegas where she resides with her family. She is a member of the National Society of Accountants, and the National Society of Tax Professionals.



**Rhonda A. Mannes, CPA, PC | 702-233-6310 | RAMtaxprep@aol.com | taxadvantageous.com**

A business card for Rhonda A. Mannes CPA, PC. The card has a red header with the text "RAMTAXPREP Be Tax Advantageous" and a white wavy graphic. Below the header, the name "Rhonda A. Mannes CPA, PC" is printed. The address "10308 Mountain Lodge Place Las Vegas, NV 89144" is listed. Social media icons for Facebook and Twitter are shown, with the handles "RAMTaxPrep" and "@RAMTaxPrep" respectively. The website "www.TaxAdvantageous.com" is at the bottom.

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