

Jamie Duman
Certified Public Accountant

Dear Friends,

As most everyone knows, Congress passed the Tax Cuts and Jobs Act late last fall, and it went into effect January 1, 2018. These new tax laws are going to have an effect on just about everyone's taxes in one way or another. The "Tax Update Special Edition" pamphlet I sent out summarized a few of these changes. For some taxpayers, these changes will add complexities we have not had in the past. For others, it will simplify preparation of your tax returns.

You will notice a few changes around the office. Sonnet has gone on to other endeavors—we will miss her and wish her luck! In her place, I am very happy to welcome Becky as our new front office assistant. Becky is doing an outstanding job and is excited to greet you in the coming tax season.

For those of you who feel that you will no longer require the services of a CPA due to the tax law changes, I fully understand. I have enjoyed working with you and wish you all the best. Of course, I will be happy to work with you in the future if your circumstances change.

Appointments:

If you wish to set up an appointment, please call our office at (208) 762-5728. Remember to call early, as certain dates and times will fill up quicker than others. As always, if you don't need an appointment, you may simply drop off your tax information at the front desk during business hours or in our secure drop box after hours (mail slot to the left of the main doors). Remember that we prepare tax returns on a first in, first done basis (assuming we have all your documentation), so don't wait until the last minute!

Organizers:

Blank organizers are available on my website: www.jamiedumancpa.com. If you would like to request a personalized tax organizer with last year's information filled in, please call, email (frontdesk@jamiedumancpa.com), or simply return the request slip at the end of this letter.

Copies of Tax Returns:

As in the past, we are offering the option to receive your tax return either in electronic format or as a paper copy. If you would like your tax return to be emailed, we will need an email address. We use a time-sensitive encryption program to ensure confidentiality. Please let us know your preference when dropping off your tax papers.

Foreign Bank Accounts:

There are increased fines for not reporting that you have a foreign bank account (or signature authority over a foreign bank account). It doesn't have tax implications, but it is necessary to file the FBAR report. Please let me know if this applies.

IRA:

The maximum IRA and Roth IRA contribution for 2018 remains \$5,500, plus \$1,000 if age 50 or over. Income limitations apply. This must be made by April 15, 2019, to be deducted in 2018.

Health Savings Account (HSA):

A health savings account (HSA) is a savings account set up exclusively for paying the qualified medical expenses of the account beneficiary or the beneficiary's spouse or dependents. The HSA reduces taxable income in the same manner as an IRA and, therefore, is another way to save on income taxes. However, there are numerous restrictions relating to health insurance plans, so, if interested, please check with your insurance agent regarding whether you qualify to use an HSA. If you make a contribution to an HSA, make sure you get me the information to ensure we take the deduction. Similar to IRAs, these contributions can be made up until April 15, 2019 and still be deductible on your 2018 income tax returns.

Affordable Health Care:

With the Affordable Health Care Act, information on your health insurance coverage has become an important aspect of preparing tax returns. Please complete the included Health Care Coverage Questionnaire and return it to our office when you drop off your tax information.

*If you received a credit on your insurance through the insurance exchange, you will receive a form from them. **This is Form 1095-A, which I will need in order to prepare your returns.** If you have qualified for the exemption, please go to the exchange for the verification sheet.

Dependency Rules:

The IRS has determined that the divorce decree does not override the custodial parent's right to claim the dependent. If a non-custodial parent wants to claim the dependency deduction, the Form 8332 must be filed with the return, regardless of what the divorce decree states.

Tax Returns for College Students:

Many college students claim themselves in error and negatively affect their financial aid and their parents' tax returns. Based on the amount of trouble encountered, I would suggest that I prepare the returns for your college students who are still dependents. This will save a lot of confusion and maximize education credits. Please note: I must have the 1098T Form for education credits provided by the school. My standard fee for preparing a dependent's return is \$55.00.

College Savings Plans:

These accounts are no longer limited to expenditures for college. The new tax law expands the accounts to now cover K-12 schooling costs. The State of Idaho has an IDEAL college savings plan that provides for tax savings on the state return. If you are interested, more information is available at www.idaho529.org. If you already have an IDEAL plan, please let me know!

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.

Hobby Losses:

When business activity is deemed to be a hobby (without profit motive or too many years of losses), the IRS will limit and/or disallow deductions.

Fees:

We work diligently to keep our fees at competitive rates while providing quality service to our clients. Due to the complexities of the new tax laws, fees will be increasing.

There will be an additional charge if for any reason your tax return needs to be *rushed* through the system. Please plan ahead to make this endeavor as stress-free as possible for all involved.

Privacy Policy:

The company privacy policy is available on my website. If you have any questions or concerns, please do not hesitate to contact me.

Please remember:

*Per IRS directive, we will be electronically filing all tax returns that are eligible. If you wish to paper file, there is an additional release form you need to sign.

*If you would like direct deposit for a refund, we will need a cancelled check or a photocopy of a check for the account you wish to deposit into. Deposit slips are not acceptable.

*Finally, for those of you who are typically last-minute filers, ALL of your tax information needs to be in my office no later than Monday, March 31, 2019, in order for us to meet the April 15 filing deadline. Otherwise, contact our office and we will be happy to file an extension on your behalf; however, you will still be responsible for making an estimated payment on time, if necessary. We will not be responsible for late penalties.

As always, please let us know if you have questions.

Best Wishes,

Jamie Duman
Certified Public Accountant
Enrolled Agent

Tax Organizer Request Page

Taxpayer Name(s)

Date

Choose your delivery method:

____ Email my organizer to:

____ Mail my organizer to:

____ Call when ready for pick up:

(phone number)

*Please remember, a personalized tax organizer is available to clients who had their taxes prepared by us last year. Blank organizers are available at our website:

www.jamieduman CPA.com