

HLW TAX NEWSLETTER

SEPTEMBER 2017



DON'T BE A VICTIM OF TAX SCAMS!

Scammers purporting to be with the IRS continue to try and intimidate taxpayers by e-mail and phone calls! They demand that you pay a bogus tax bill via wire transfers or prepaid cards. They may even threaten to arrest, deport or revoke the license of the victim. The IRS will always notify you by mail if there is a tax matter that you need to take care of. They will not just call and demand payment by phone!

New Alert!!! It has been brought to our attention that the scammers are now sending out letters that look like they are from the IRS. If you receive a letter, call 1-800-829-1040 to confirm that this letter is actually from the IRS.

DEDUCTING EXPENSES FOR AUTO, TRAVEL, MEALS AND ENTERTAINMENT

You are required to keep a log for Auto, Travel, Meals and Entertainment. It can be as simple as a small notebook, as long as it includes the proper information to support the deductions. Your log needs to include: where, when, why, and who (if relevant) for each event. You can keep a separate log for each category, or you can maintain one log that supports all of the above categories. As always, you

must also support all expenses with proof of payment (cancelled checks, credit card statements) and receipts.

HOW LONG TO KEEP TAX RECORDS

Everyone wants to know how long you should keep records. The answer is that it depends on the type of record. Below are a few examples of records and how long you should keep them.

As a general rule, you should keep records such as tax returns for 3 years. We suggest 7 years because there are situations in which the IRS can request records going back further than 3 years.

Keep records that support the basis in an asset, property, investments, etc. until 4 years after you dispose of property. This rule would include businesses and their assets. When you inherit property such as real estate for example, you should keep proof of the date of death value until 4 years after you dispose of the property. Businesses should keep payroll tax records for 4 years.

VISIT OUR WEBSITE FOR ADDITIONAL HELPFUL TOOLS:

WWW.HLWTAX.COM



YEAR END AND PRE TAX SEASON REMINDERS AND TIPS

Here we are in the Fall of 2017 which means tax time will be here in just 4 months! As always the tax organizers will be mailed or e-mailed by mid-January. Just a reminder, when you are ready for us to begin working on your tax returns please remember to return your signed and dated engagement letter along with your tax documents. If you will need an extension of time to file your tax returns, all you have to do is send us the signed and dated engagement letter from the organizer as soon as you know that you will need one.

Our regular office hours are Monday through Thursday 8:00am to 4:00pm.

Our extended tax season office hours are Monday through Friday 7:30am to 5:30pm, and Saturdays from 9:00am to 3:00pm. We are always closed on Sundays.

If you operate your own business, start working on your income and expense report now!

Most documents such as W2's, etc are mailed to you in January. Have a file ready to collect and organize these documents.

Make sure that you pay your property taxes (you can even pay an additional payment), any state estimated taxes, DMV fees, all by the end of December! (Caution! This may not help you if you are subject to AMT).

If you are not already contributing the maximum amount allowed to your retirement plan, consider increasing your contributions.

Clean out your closets; take your items to any qualified charity (such as Goodwill). Make sure that you get a receipt that details the items you donated. Taking pictures of the items is helpful too!

If you know that you will have large capital gains, look through your portfolio to see if there are some losses that you can take to offset these gains.

If you are required to take minimum distributions from your retirement accounts, don't forget to take these distributions by the end of December.

It is a good idea for all businesses to provide us with information so that we can prepare a forecast for you and do some year-end planning. However, it is very important that we review S-Corporations to ensure they are taking proper salaries.

In keeping pace with security measures, we will only use our program "Intuit Link" for file sharing.

	Client Referral
<i>Referred by:</i> _____	
At HLW we appreciate new clients and our loyal clients who refer them! Refer a friend. They will receive 10% off of any tax preparation fees their first year! After we complete your referral's work, YOU will earn \$25 credit toward future services at HLW.	
<i>Write your name in above, so we know who to thank!</i>	

