

# **BITS & PIECES OF TAX NEWS**

## **AND OTHER ITEMS OF INTEREST**

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January 2017

**Happy New Year from the Staff at Ada Tax Professionals!**

### **Changes Afoot for Tax Year 2017**

There is a lot of speculation flying around at the moment about what the future holds for our income tax system. Treasury Secretary nominee Steven Mnuchin says the incoming administration is preparing for the biggest changes to the tax code since the 1986 tax reform under the Reagan administration. The 1986 tax reform was a sweeping overhaul of the tax system, so a change of that magnitude would indeed be nothing to shake a stick at! We at Ada Tax Professionals are taking a “wait and see” approach. There are ambitious proposals on the table, but it remains to be seen what will actually be passed. And when it comes to taxes, the devil is usually in the details!

It is important to keep in mind, however, that any major changes to the tax law will not take effect until tax year 2017, at the earliest. For this tax season (tax year 2016), it is business as usual! Looking forward, tax planning for 2017 (and beyond) will be very challenging until new legislation is actually passed.

### **New Secure Portal**

Ada Tax Professionals is pleased to announce that we have implemented a **secure portal system**, SecureFilePro, for emailing tax documents or any other sensitive information that needs to be sent to/from our clients. The portal encrypts your information and is more secure than email.



We can send you a link to your new account. All you need to do is create a password. Once you are logged in, you can send and receive documents securely. You can also get started with a guest login to send us documents right away. The login link is on our website.

[www.adataxpros.com](http://www.adataxpros.com)

### **ABLE Accounts for People with Disabilities**

Congress recently passed legislation creating tax-favored ABLE Accounts for people with disabilities who became disabled before age 26. These accounts are designed to help individuals and their families provide for disability-related expenses. However, Idaho has not passed the necessary legislation to start this program in Idaho. If you are interested, contact your state legislators.

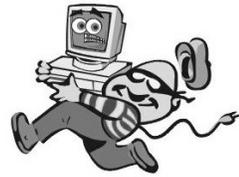
### **MyRA Accounts**

Eligible taxpayers can start saving for retirement with a new program called MyRA. They are similar to Roth IRAs except they have a \$15,000 maximum balance and 30 year life-span. MyRAs are invested in US Treasury Bonds and designed for people that do not have access to retirement accounts through their employers. For more information go to [www.myra.gov](http://www.myra.gov), or come see us.

## Identity Theft: Tips and Reminders

Unfortunately, one tactic identity thieves are using these days is **impersonation scams**. Here are some things to remember:

- The IRS does not make threats of lawsuits or jail.
- The IRS does not use email, text messaging, or social media to ask for personal or financial data.
- If you receive a suspicious call from someone claiming to be the IRS, ask them for a call-back number and their **employee badge number**. Then call the IRS directly to determine if the call was legitimate. If you receive a fraudulent call or email, you may report it to the IRS at <https://www.irs.gov/uac/report-phishing>.



## 2016 Tax Year Update

As is the case every year, the upcoming tax filing season brings with it some changes. It's worth noting, though, that there are fewer changes to the tax law this year than in recent years. Here are some changes to take note of:

- In response to a substantial increase in fraud in recent years, **new legislation requires the IRS to hold refunds for certain filers until Feb. 15**. This applies *only* to tax returns that have either an Earned Income Credit or the Additional Child Tax Credit. (The Additional Child Tax Credit is the refundable part of the Child Tax Credit, and only applies if your credits exceed your total tax.) Refunds containing *either* of these credits cannot be issued before Feb. 15. This applies to the entire refund.

**However**, the IRS is encouraging taxpayers to continue to file returns earlier rather than later, as much as possible. In other words, if you're expecting a refund, don't wait until Feb. 15 to file, as this could only delay your refund even more!

- The filing deadline for **partnership** tax returns (Form 1065 – this includes most LLC's) has been moved up a month! It is now March 15 (for calendar year filers), **not** April 15.
- The \$250 educator expense deduction has been made permanent, and expanded to include professional development expenses. It has also been indexed to inflation, so it will rise a bit in the future.
- Sec 179 expense (for small businesses) has been made permanent, and expanded to include business purchases of HVAC units.
- Forms W-2 and some Forms 1099-MISC must now be filed with the government by Jan. 31. (This has long been the deadline for providing forms to workers; now it is also the deadline for filing with the Social Security Administration and the IRS.)
- Idaho Update: The STEM (Science, Technology, Engineering, and Math) Action Center now qualifies for the 50% Idaho educational tax credit (for charitable contributions).



# THE BULLETIN BOARD

The "individual shared responsibility payment" (the penalty for not having health insurance) increases from \$325/person (tax year 2015) to \$695/person (tax year 2016).

## Mileage Rates

The IRS has issued mileage rates for 2017. They are down slightly from 2016.

### Mileage Rates for 2016

Business	.54
Medical/Moving	.19
Charitable	.14

### Mileage Rates for 2017

Business	.53½
Medical/Moving	.17
Charitable	.14

## We are growing!

Elke and Miri are no longer taking new clients. Elke is enjoying more time away from the office and Miri has a full load with her current clients.

Kara, Darci, and Mike are eager to build relationships and share their knowledge and expertise. If you want to drop off your tax info without making an appointment, Kara, Darci, or Mike will be happy to contact you.

## Recycling Corner

Ada County is starting a composting program. Residents will get a new bin specifically for kitchen scraps, as well as leaves, branches, and other yard waste. Residents who participate in the program will receive access to free compost! The County says most residents will see a rate increase of about \$3.40/month. The program, which will be year-round (including leaf pickup) is scheduled to start in summer 2017.



## Tax Season Is Coming!

The IRS will begin processing returns January 23, 2017.

January Office Hours  
Monday - Friday  
9am to 5pm

February 1st to April 18th  
Monday - Thursday  
8:30am to 6:30pm  
8:30am to 6:00pm on Fridays  
Saturday 10am till 2pm

Give us a call and make your appointment today!

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RETURN SERVICE REQUESTED

## SPOTLIGHT..... on **Mike Tashman**

Ada Tax Professionals has always been a friendly professional office and Mike fits right in. He has a very inquisitive mind and enjoys our down-to-earth culture that nurtures personal and professional growth.

Mike grew up in Atlanta, Georgia which made him a natural to study at Georgia Tech. There he received a B.S. in Management with a certificate in Accounting. After graduating, he lived in Hartford, Connecticut, for 7 years. Winding up a 6-month road trip in 2015, Mike made his way to Boise and began hiking the trails of Idaho.

Mike has visited other parts of the world and experienced unique adventures. Have you gone under Iguazu Falls at the border of Argentina and Brazil? Mike has. His advice is be prepared to get soaked. That poncho may have you covered, but it won't keep you dry.

Farming and organic gardening are one of Mike's passions. He has worked on several farms and grows a vegetable garden. All those fresh vegetables find their way into his cooking experiments. With this year's bumper crop of squash, Mike has tried it in just about everything, and, he can cook up a mean pot of chili.



Mike appreciates the fact that Boise is a family-oriented town. He enjoys many outdoor activities and swing dancing. For quiet time there is reading. Recent selections have included The Tao of Pooh, by Benjamin Hoff; Preserving Wildness, by Wendell Berry; and Folks, This Ain't Normal, by Joel Salatin.

Mike's words to live by: "Do the best you can with what you have."