

# **BITS & PIECES OF TAX NEWS**

## **AND OTHER ITEMS OF INTEREST**

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*January 2020*

### **Under New Ownership**

By the time you receive this newsletter, Ada Tax Professionals will be under new ownership. As many of you know, Elke Gribskov has been phasing into retirement. And as of December 31, 2019, she reached her goal. Congratulations Elke! You have been a wonderful Tax Lady, Extraordinary Boss, and Great Friend! Thank you for your hard work and years of dedication.

Jalene Greer has picked up the torch and will be our fearless leader guiding us into the future. She most recently hails from Las Vegas and Austin, but grew up in Nampa. With her quick mind and sense of humor, she is very capable of filling Elke's shoes. You are all invited to meet Jalene during our open house on January 21, from 1pm to 6pm.

As part of the transition, Jalene has brought a few clients with her and has purchased Comprehensive Tax. Peggy Wise and Sharon Curtis may already be familiar to some of you who came from Barb Hanssen. To all of you Comprehensive Tax clients, welcome into the fold. We hope that you, Peggy and Sharon will all feel at home.

Of course, Miri, Darci and Jody are still here ready to answer your questions, file your tax returns and find out what you have been up to this past year.

### **The Changing of the Guard (A letter from Elke)**

David and I are excited to have fulfilled our goal of finding a buyer who we believe will maintain the integrity of Ada Tax Professionals and continue making our clients the number one priority. I believe Jalene Greer, owner of Veritas Business Solutions LLC, and I have many important attributes in common. I go into retirement confident with our decision and comfortable that you will be too.

It has been very satisfying growing Ada Tax Professionals over the years and getting to know so many of you. Although I won't be there any longer to help you face some of the tax challenges that come your way, I leave you in good hands that form a supportive team.

How do I expect to spend my new found time? Finally giving my many projects the time they need and expanding my role supporting my husband's business as a wood turner selling his functional art at arts and crafts shows. Let's not forget - finding new adventures. I will not be hibernating so be sure to say "Hi" if you see me out and about. Happy New Year to you all! Elke

## Check your Withholding, Again....

Just when you thought you were good, they changed the withholding again! IRS has a new Form W-4 to use. Many people are finding it confusing. Payroll companies are updating their software to accommodate the changes. No more allowances. There are up to 5 steps and potentially other worksheets.

You may have already seen it; Idaho also released a new Form ID W-4 last year. It is a little simpler and does not have allowances. However, your Idaho withholding can and probably should be different than your federal withholding.



If you have questions about your withholding for 2020, bring your paystubs with year-to-date info to your tax appointment. We will review it with you to make sure you are on track.

## Random Refunds

We have all been warned, if it sounds too good to be true, it probably is. Well, sometimes it is true, you are due a refund you didn't ask for.

**Refund #1** If you paid an Estimated Tax Penalty on your 2018 tax return before March 22, you may be due a refund.

The Estimated Tax Penalty is when you do not have enough withholding or make adequate estimated payments during the year. A year after TCJA was passed, Congress realized that changes made to the withholding calculations caught many taxpayers off-guard and triggered the penalty. To alleviate this, they reduced the threshold for when you have to pay it. Our valiant software companies scrambled to implement this change in the middle of tax season. Look at line 23 on your 1040. If it is blank, you did not pay it. If there is an amount on line 23, when did your return get filed? For those that paid the penalty and filed before the end of March, you may be due a refund. IRS is saying affected taxpayers will not need to take any action. You will receive a notice in the mail and IRS will automatically refund the penalty amount.

**Refund #2** Due to the complexity of implementing the new tax law last year, there were other mistakes. One has to do with the capital gains worksheet and how capital gains are taxed. IRS has identified a flaw in the 2018 capital gains worksheet that caused a few taxpayers to pay more tax than they should. These returns are supposed to be automatically identified and refunds sent to taxpayers without any action on their part.

In most cases when you receive a refund that you did not ask for, we say don't cash the check until we figure it out. In these cases, it's ok to spend the money. If you do receive a refund and have questions, give us a call.

## Calls from Collection Agencies

IRS scams are everywhere, but if you do owe a legitimate tax debt, you might be contacted by a private collection agency. Have you received a phone call from IRS saying you owe taxes and if you don't pay it right now, they will send the police to your house and arrest you? Yes, those calls are scams. IRS cannot force you to pay your taxes over the phone and they will not threaten to send the cops. If you are under criminal investigation, they do not warn you that the cops are coming.

IRS has contracted with several companies and is turning over collection activities to them. We have seen multiple letters for Idaho residents already. It is happening. You should receive a letter from IRS letting you know your debt has been assigned to an agency and what their contact info is. You should also receive a letter from the collection agency. They are authorized to help make payment arrangements and resolve your overdue account.

These collection agencies are bound by IRS privacy laws and taxpayer rights. Any payments should be made out to US Treasury, or made through [irs.gov/directpay](https://irs.gov/directpay). If you received one of these letters and would like some help, give us a call.

# THE BULLETIN BOARD

Use our **Secure Document Portal** to send us tax information. Email is not safe for sensitive information! There is a link on our website

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

Click the button on the Client Resources page. Use the **Guest Exchange** if we have not already set up an account for you.

## Recycling Corner

Are you a Boise resident using your green bin to collect compostable material? As a participant you are entitled to 2 FREE yards of compost per year. 200 gallons equals 1 yard. Just bring a shovel and some buckets, or fill up the back of your truck. Elke and David recently brought home a couple of loads from the Joplin St pile. Driving north on Cloverdale hop over Chinden and it is at the bottom of the hill on the left. Pick up sites are open 365 days a year 9am to 7 pm. For those of you on the east side head to the Botanical Gardens. Keep up the composting, your soil will thank you!



## New Mileage Rates

Mileage Rates for 2020

Business	57 ½
Medical/Moving	.17
Charitable	.14

Mileage Rates for 2019

Business	.58
Medical/Moving	.20
Charitable	.14

## Attention all Business Owners Don't Forget!

W-2s and 1099-Misc are due Jan 31, 2020  
We can help print forms and we have a few blank ones on hand if you need one or two.

Take an odometer reading on all vehicles used for business. And, if you use a mileage logger or calendar app, print and/or save it for future reference.

Use the handy worksheets found on our website for Business Income and Expenses or Rentals

Give us a review on Google, Yelp and Facebook.  
Don't follow us on Twitter, we are not there yet.



## More Tax Changes for 2020

Anytime someone says “More Tax Law Changes” we all cringe. 2020 was supposed to be just updating amounts and rates for inflation. On December 20, 2019 President Trump signed a new spending bill. Of course, hidden in the fine print are some tax law changes. Some of the highlights are bringing back extenders that expired in 2018.

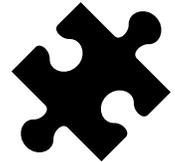
Remember the Tuition and Fees deduction and Residential Energy Credits? These extenders were brought back retroactive for 2018. Yes, we will be amending some returns!

There are significant changes for retirement accounts. First, the Required Minimum Distribution age is going up to 72. It was 70 1/2. New parents will be able to take a distribution without paying the 10% penalty. Employers will have more incentive and flexibility for getting employees set up with retirement plans. Inherited IRAs will have new distribution requirements.

Don't forget that prior to the spending bill, the limit for IRA contributions was increased for 2019. For several years (up through 2018) the limit was \$5,500, or \$6,500 if you are over 50. For 2019 the limit is \$6,000, or \$7,000 if you are over 50. If you want to make a contribution to your IRA for 2019, you still have time. Contributions can be made until April 15<sup>th</sup>, 2020.

Keep watching, we will have more information soon about these new changes. When and how the changes are implemented is still to be seen.

### A Letter From ..... *Jalene Greer*



It is my honor and privilege to have worked with Elke and the team here at Ada Tax Professionals for the past few months as we have gotten to know each other and completed the purchase transactions. My search for a tax practice focused solely on firms that prioritize customer service and integrity, and Ada Tax Professionals fits within these goals perfectly. I respect the work that Elke has done over the past many years to build not only the tax practice but to build a community of tax professionals that will become part of her legacy.

My search also brought me to Comprehensive Tax Services, where I met Peggy Wise and Sharon Curtis. These ladies also embody the high standards I was looking for, and I'm thrilled to be able to bring them and their clients under one roof. Peggy started Comprehensive Tax Services with her partners many years ago. I'm proud to be part of the legacy of experienced, caring tax providers both she and Elke started.

To give you some background on me, I have been servicing my own limited tax clientele for many years. This opportunity gives me the chance to expand that service. I also provide Management Accounting for corporations and small businesses through my company, Veritas Business Solutions LLC. As a Certified Management Accountant with an MBA, my plan is to expand the practice in these areas to provide a broad range of business services to the greater Boise area throughout the year. My interests outside the office include puzzles, spy novels and taking electric bass lessons.

I'm very excited to begin this next chapter, knowing there is a solid foundation from which to launch. I look forward to building rewarding relationships and providing the excellent service you've come to expect. I look forward to getting to know you.

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