



The Bottom Line

Schedule Your Appointment Online
www.thebottomlineinc.net

JANUARY 2019

- Office in historic Germantown
- Year round tax services
- Business consulting, growing your business, start-up plans and seminars
- Online bookkeeping
- Payroll services
- Your one stop shopping for small businesses
- Walter M. Moyer, President

Tax Season Office Hours

Mondays
1:00PM to 4:00PM

Wednesdays
1:00PM to 6:00PM

Fridays
(telephone appointments)
10:00AM to 3:30PM

Saturdays
(starting in February)
10:00AM to 3:00PM

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Wally's Tax Update

Today, Jan 14, 2019 is the official start of the 2018 tax season. This is my 32nd year preparing taxes. I remember the first tax software that printed on dot-matrix paper in my first office attached to my home on Wayne Avenue. When I started doing tax returns, I was still in school for Accounting. I only got interested in taxes because I wanted to find a way around them or at least understand where my money was going.

When I first started out, I went to all my clients' businesses or homes and gathered their information, came back to the office, filled out the returns in pencil, checked the math, rechecked the math (there was a way to run a calculator tape to make sure all the schedules and forms were in balance) finalized the numbers, signed the returns and then made copies. I was so thankful for the big, bulking copy machine. Then in the evening I worked for a tax chain and audited their preparers; that's where I learned how to complete a tax return correctly and find errors.

Every year, it's a sure bet that there will be changes to current tax law and this year is no different, now the new tax provisions under the Tax Cuts and Jobs Act of 2017 (TCJA) are in full effect. From standard deductions to health savings accounts and tax rate schedules. I've included some of highlights and items that effect a number of my clients, this is not a complete list.

Individuals

In 2019, several tax provisions are affected by inflation adjustments, including Health Savings Accounts, retirement contribution limits, and the foreign earned income exclusion.

The tax rate structure, which ranges from 10 to 37 percent, remains similar to 2018; however, the tax-bracket thresholds increase for each filing status. Standard deductions also rise. As a reminder, personal exemptions have been eliminated through tax year 2025.

Businesses

The most talked about business changes are the QBI deduction and Business meals and entertainment expenses.

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The Bottom Line Deadlines

Keep track of these dates to make sure your tax returns are filed on time.

- **January 25** - All businesses and individuals who file 1099s for independent contractors should get us information so we can file the required documents by the January 31 deadline. **The IRS issues penalties for filing late 1099s.**
- **February 28** - All corporations and partnerships should send us tax documents and financial records for 2017 so we can file returns by the March 15 deadline
- **March 30** - Last day of scheduled appointments. We only accept walk-ins after this date. Go to www.thebottomlineinc.net to schedule your appointment in advance.
- **March 31** - Individuals and couples who give us all their tax documents by this date will have their returns done by the filing deadline. We still accept clients after March 31, but, depending on how complicated your taxes are, an extension may need to be filed.
- **April 15** - Tax filing deadline for federal, state and local individual returns. All tax liabilities due must be paid today. **Our office closes at 5:00 and will not reopen until May 1st.**

Wally's Tax Update continued

Qualified Business Income Deduction - Eligible taxpayers can deduct up to 20 percent of certain business income from qualified domestic businesses, as well as certain dividends. To qualify for the deduction business income must not exceed a certain dollar amount. In 2019, these threshold amounts are \$160,700 for single and head of household filers and \$321,400 for married taxpayers filing joint returns.

Business Meals and Entertainment Expenses - The deduction remains at 50% for taxpayers who incur food and beverage expenses associated with operating a trade or business. For tax years 2018 through 2025, however, the 50% deduction expands to include expenses incurred for meals furnished to employees for the convenience of the employer. Amounts after 2025, however, will not be deductible. Office holiday parties remain 100% deductible and employee meals while on business travel also remain deductible at 50%. Also eliminated is the deduction for business entertainment expenses (only meals are deductible at 50%; receipts must identify and separate out meal costs from entertainment costs).

As always, I'll keep you informed of any changes that would affect you and your tax situation. I am truly blessed to work with some of the most gracious people and have some of the nicest clients, many of whom have become friends. I'm looking forward to hearing from you over the next few months and once again helping you navigate the Federal, State and local tax fillings. For some of us it's been 32 years of growing and changing together and I look forward to more years of this with you.

Scheduling Tax Appointments

Scheduling an appointment with Wally has never been easier. As in the past, you can call our office (215-238-0230) or email thebottomline@thebottomlineinc.net and Carolyn will be happy to fit you into our calendar. You can also schedule your appointment on line. Just go to our website at www.thebottomlineinc.net and you'll see links to schedule an office appointment or a phone appointment. You'll be able to pick the day you want and see what times are available.

February Center City Appointments

For our Center City clients, we've rented space again this year at the Regus Suites at One Liberty Place (1650 Market Street, Suite 3600), but only for three days in February, Monday the 11th, Thursday the 14th, and Monday the 25th. Schedule your appointment now. Center City appointments go fast.

2018 Tax Organizer

If you would like a tax organizer based on the returns we prepared for you last year, contact Carolyn (carolynwest@thebottomlineinc.net) You can also find helpful spreadsheets and worksheets on our website at www.thebottomlineinc.net

Use Our Secure Client Portal

Protecting your personal information is of the utmost importance to us. For this reason we're taking another step recommended by the IRS and will no longer open email attachments. If you want to send us your tax documents electronically you will need to use our secure portal (<https://thebottomline.securefilepro.com/>).

It's the fastest and safest way to send us your personal information and it stores files for up to six months. As soon as you get a tax document in the mail, scan (PDF is best, but we can also do high resolution JPEGs) and upload it to the portal. You don't have to worry about misplacing the document.

If you haven't used it yet, send an email to Carolyn (carolynwest@thebottomlineinc.net) and she'll make sure you have access to your account.

Upload all your documents 4 days in advance and we'll have your returns done the day of your appointment.

