

# Angelo Ventresca Associates, LLC

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# December 2018

Our entire office joins in  
sending our warmest  
Season's Greetings to you  
and best wishes for good health,  
peace and prosperity  
in the coming year.



It's never too early to start organizing your financial records, so please read on for the latest changes and some helpful hints for the upcoming tax season. If you have any questions and would like to contact your preparer, you may call our office or visit our web site, [www.angelov.com](http://www.angelov.com)

We at Ventrescas are very aware that we all lead busy lives. To ease the burden, we encourage you to feel comfortable dropping off your tax materials at your convenience. Tax season hours are Monday-Thursday 8am-8pm, Fridays 8am-6pm and Saturdays 8am-4pm. No appointment will be necessary unless you wish to meet with your preparer. If any questions arise, your preparer will call you for a phone consultation. Also if you wish to drop your information off after hours we now have a drop box located at the front entrance.

## **HIGHLIGHTS FOR 2018:**

### **1. NEW TAX LAW:**

The Tax Cuts and Jobs Act was signed into law as of December 2017. The new law was a major change to the federal tax code which include changes to personal and business income taxes.

Changes for personal incomes taxes are, new tax rates, increased Standard Deductions, elimination of Personal Exemptions, changes to Itemized Deductions and increased Child Tax Credit.

Changes for business income taxes include, a new flat corporation tax rate, increased expensing for certain assets and a qualified business income deduction.

Many of these changes have complex rules and how they apply to each individual tax return will vary based on your personal circumstances. Your preparer will be able to discuss how the changes effected your tax return.

### **2. PERSONAL INCOME TAX CHANGES:**

The 2018 federal tax rates are 10%, 12%, 22%, 24%, 32%, 35% and 37%.

The Standard Deductions for 2018 are \$24,000 for Married filing Joint; \$12,000 for single; \$18,000 for Head of Household and \$12,000 for Married filing Separate.

The Personal Exemption amount for 2018 is \$0. However there are additional tax benefits that are still effected by the number of dependents claimed on the tax return.

The Child Tax Credit is increased to \$2,000 per qualifying child. The rules for a qualifying child are the same as 2017 and the child must have a valid Social Security Number.

There is also a smaller, \$500, credit for dependents that are not qualifying children for the Child Tax Credit.

Some of the changes to Itemized Deductions include: a \$10,000 limit on the State and Local Taxes Deduction. This includes Real Estate, Income and Sales Taxes. A limit on the Home Mortgage Interest deduction for the interest on up to \$750,000 of loans used only to acquire, construct or substantially improve the home. Miscellaneous Itemized Deductions, that were limited by 2% of Adjusted Gross Income have been eliminated. These include Unreimbursed Employee Business Expenses and Investment Expenses. This does not include Business Expenses for a Self Employed Person. Casualty and Theft Losses are only deductible if they occurred in a federally declared disaster area.

### **3. BUSINESS INCOME TAXES:**

The Corporate Tax Rate for "C" Corporations for 2018 is a flat 21%.

100% Bonus Depreciation is allowed for qualified

assets placed in service in 2018. Bonus Depreciation is now allowed for qualified used property.

The 2018 limit for Section 179 expense, for otherwise depreciable assets, is increased to 1 million dollars. The deduction is limited if the total assets placed in service for the year are over 2 million 500 thousand dollars.

The new Qualified Business Income Deduction provides for a deduction from taxable income up to 20% of Qualified Business Income. This Deduction is allowed for income from Self Employment and Qualified Business Income from Partnerships and "S" Corporations. The deduction can be limited based on certain factors including, income and the type of business.

Most of these changes will not effect PA Personal Income Taxes. The PA rules are mostly the same for 2018.

#### 4. AFFORDABLE CARE ACT / PREMIUM TAX CREDIT:

If you purchased insurance from the marketplace in 2018 you will receive a Form 1095A. If you received an Advanced Premium Tax Credit that is also on the Form 1095A. That form is required to complete your return. The penalty for not obtaining qualified coverage is still in place for 2018.

#### 5. DELAYED REFUNDS IN 2018:

The IRS will not give a refund or credit for tax returns that have claimed the Earned Income Credit And or the Additional child tax credit before February 15th.

### WHAT TO BRING TO YOUR TAX APPOINTMENT

1. Federal, state and local estimated payment vouchers.
2. W-2's, 1099's, SSA statement or business records if you are self-employed.
3. Social security cards for you, your spouse and dependents.
4. Date of birth for taxpayer, spouse and all dependents.

**DIRECT DEPOSIT:** Direct deposit of your federal refund check is also available at no extra charge for Forms 1040, 1040A or 1040EZ. *To provide us with the bank information required for your direct deposit, please bring a voided check with you to your appointment or when you pick up your return.*

**BILLING:** Our fees are based on the complexity of your tax return. Your tax return fee can, therefore, vary from year to year. Factors such as selling stock, deducting child care expenses, etc., will require additional tax schedules and time. You will receive an itemized bill showing the charge for each form prepared. Payment is requested at the time your tax return is complete, unless prior arrangements have been made. Billing is not factored into our fees, therefore, a \$5.00 fee per month will be charged on accounts over sixty days. There will be a minimum charge of \$75.00 to make changes in your tax return once it is completed if it is due to your omission of information. There will be no charge if it is due to our error.

We look forward to working with you in 2019. If you have any questions please call our office at (570)278-2721 or e-mail us at [erin@angelov.com](mailto:erin@angelov.com). We are accepting new clients and your referrals are always appreciated.

If you refer a new client, you will receive a \$25.00 visa gift card.

New client:

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Referred by:

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There is no nicer time than the holidays to say Thank You, we appreciate your business, and wish you a Merry Christmas and a Happy New Year.

