

# 2018 Tax Documents Preparation

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## **TAX SEASON UPDATE AND DUE DATES**

### **2018 Tax Season to Open January 28<sup>th</sup>**

Despite the government shutdown, the Internal Revenue Service confirmed that it will process tax returns beginning **January 28, 2019** and provide refunds to taxpayers as scheduled.

"We are committed to ensuring that taxpayers receive their refunds notwithstanding the government shutdown. I appreciate the hard work of the employees and their commitment to the taxpayers during this period," said IRS Commissioner Chuck Rettig.

Congress directed the payment of all tax refunds through a permanent, indefinite appropriation (31 U.S.C. 1324), and the IRS has consistently been of the view that it has authority to pay refunds despite a lapse in annual appropriations. Although in 2011 the Office of Management and Budget (OMB) directed the IRS not to pay refunds during a lapse, OMB has reviewed the relevant law at Treasury's request and concluded that IRS may pay tax refunds during a lapse.

The IRS will be recalling a significant portion of its workforce, currently furloughed as part of the government shutdown, to work. Additional details for the IRS filing season will be included in an updated FY2019 Lapsed Appropriations Contingency Plan to be released publicly in the coming days.

"IRS employees have been hard at work over the past year to implement the biggest tax law changes the nation has seen in more than 30 years," said Rettig.

As in past years, the IRS will begin accepting and processing individual tax returns once the filing season begins. For taxpayers who usually file early in the year and have all of the needed documentation, there is no need to wait to file. They should file when they are ready to submit a complete and accurate tax return.

Form 1040 has been revised in response to new tax reform. The new 1040 form appearance is shorter along with revised income schedules. Due to updating may forms, there may be delays in submitting tax returns if necessary forms have not been released.

Individual tax returns are due Monday, April 15, 2019. S-Corporate and Partnership tax returns are due Friday, March 15<sup>th</sup>, 2019. C-Corporate tax returns are due Monday, April 15, 2019. These are based on calendar year tax filers.

We will stop taking tax appointments on April 5<sup>th</sup>, 2019 to ensure that all tax returns submitted will be filed on time. Clients can still send in or drop off their tax information after April 5<sup>th</sup>, 2019. We will do our best to complete all returns by April 15<sup>th</sup>, 2019. In the event that we cannot complete your return, a 6-month extension will be filed.

We will automatically submit an extension for tax clients that have not submitted by tax due date and we have completed your prior year's tax return.

### **WAYS TO SUBMIT INFORMATION FOR TAX PREPARATION**

- By Appointment – In Person/Conference Call or Skype: Please contact our office at 480-967-6466 or email [kelly@ingramco.com](mailto:kelly@ingramco.com) to schedule.
- Email – Advised to encrypt sensitive information for your protection.
- Drop off at our office
- Mail or other delivery (UPS/FedEx)
- **Online – Intuit online portal**: Return tax clients should have received an invitation via email to submit information online through Intuit link last year. If you have used this website last year, sign on information will be the same. After signing on, you will be able to sign our engagement letter, answer questions to confirm your information, submit changes and upload tax documents. Contact Kelly to re-send an invitation if necessary, at [kelly@ingramco.com](mailto:kelly@ingramco.com) or 480-967-6466.

Once we receive your information, we will prepare your tax return. We will contact you if we have any questions. This portal is safe and more secure than submitting sensitive information via email. If you do not receive an invitation from us, you can create an account using the link below and request an invitation from us. Please use your tax preparer's email address when sending the request.

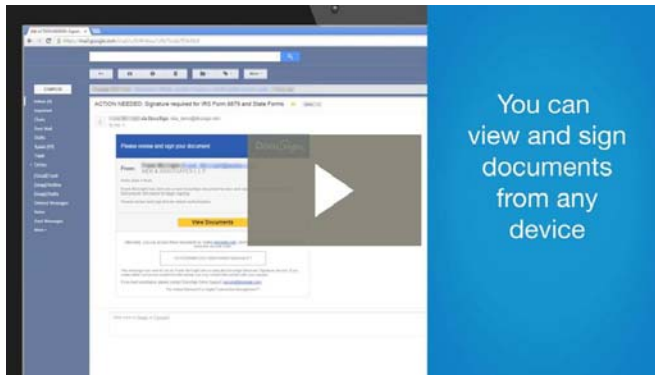
<https://proconnect.intuit.com/link/taxpayer/>

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### **E-SIGNATURE**

We are now offering our clients to sign tax forms with **e-signature through DocuSign!** Once your taxes are completed, you will receive an email to process your eSignature. You can also pay your invoice at the same time. Click on the link for instructions to sign your documents with eSignature.

[eSignature Resource Center | Intuit](#)



This is an added service. We are always available for clients to come into our office to sign returns.

**Reminder to make your contributions for Arizona Tax Credits! You have until April 15<sup>th</sup>, 2019 to donate for the prior year!**

See Arizona Department of Revenue Website for more information:

<https://azdor.gov/tax-credits>

### **TAX CUTS AND JOBS ACT**

The Tax Cuts and Jobs Act passed in December 2017. Most of the legislation takes effect beginning January 2018 through 2025. More information is included in the following attachments:

- Tax Cuts and Jobs Act: Highlights for Individuals and Businesses
- New and/or Revised Business Deductions

The IRS has made two publications available on their website:

<https://www.irs.gov/pub/irs-pdf/p5318.pdf>

<https://www.irs.gov/pub/irs-pdf/p5307.pdf>

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## Supporting Tax Documents

### Statements representing income:

- W-2 forms
- 1099 forms - (1099Misc, 1099INT, 1099DIV, 1099B, 1099R, 1099C)  
*Self-Employment income, Investment Income, Stock sales, Distributions from retirement accounts - pensions, IRA annuities.*
- K-1 Forms from Partnerships (including investment partnerships) and S-Corporations
- Alimony Received
- Social Security Benefits
- Gambling Winning & Prizes (W2-G, 1099 Misc.)
- Unemployment Compensation
- State Refunds

### Statements for Itemized Deductions:

- 1098 (mortgage interest and/or property tax)
- Medical expenses (paid out of pocket)
  - Rx
  - Dental
  - Medical Miles
- Charitable donations **Receipts required for all contributions**
  - Cash – *Donations made of \$250.00 or more need to have a letter of acknowledgement from the charity.*
  - Non-cash – *Date donation made, description of items donated, and fair market value.*
- Auto registration (applies to all owned vehicles)
- Casualty Losses/Theft
- Gambling Losses to extent of any winnings

### Adjustments to Income

- IRA Contribution
- Student Loan Interest Paid
- Educator Expenses

### Statements for Health Insurance Coverage

If you do not have a 1095-A form, 1095-B form or 1095-C form at your tax appointment, please complete the Health Insurance Questionnaire attachment. You

can find more information on these forms at: <https://www.irs.gov/Affordable-Care-Act/Questions-and-Answers-about-Health-Care-Information-Forms-for-Individuals>

- 1095 A form – Insurance companies participating in health care exchanges should provide you with the 1095-A form, a health insurance marketplace statement. This form includes:
  - Your name
  - The amount of coverage you have
  - Any tax credits you were entitled to
  - Tax credits used for your health insurance and the amount you paid for coverage
  - You use this information to complete your income tax filing, adjust any tax credit payments and claim any premium tax credits that may be due.
- 1095 B form - Employers with fewer than 50 full-time employees that offer health coverage, as well as health care insurance providers, send the 1095-B form to members of their health insurance plans. This form includes:
  - The type of coverage you have
  - Your dependents covered
  - The period of the coverage
  - This form is used to verify on your tax return that you and your dependents have at least Minimum Essential Coverage (MEC). If you had a break in health care coverage for the tax year, you may have to pay an individual shared responsibility payment.
- 1095 C form – Form 1095-C, employer-provided health insurance offer and coverage, shows the coverage that is offered to you by your employer. It is used by larger companies with 50 or more full-time or full-time equivalent employees. This form provides information of the coverage your employer offered and whether or not you chose to participate.

#### Business Income & Expenses

- Total Gross Receipts and total expenses categorized by type (ex: supplies, travel, advertising, etc.)

#### Rental Income & Expenses

- Total Rental Income and expenses categorized by type (ex: repairs, HOA dues, property taxes, etc.). We need this separated for each property.

#### Foreclosures and Short Sales

- Forms 1099A or 1099C

## Payments & Credits

- Estimated Tax Payment date & amount
- Arizona Credits
  - Public Schools - \$200 Single Filers / \$400 Joint Filers
  - Private School Tuition - \$1107 Single Filers / \$2213 Joint
  - Qualifying Charitable Organizations Credit - \$400 Single Filers / \$800 Joint Filers
  - Qualifying Foster Care Charitable Organization Credit - \$500 Single Filers / \$1000 Joint Filers
- Dependent Care Credit – *Bring Daycare provider's name, address and tax ID number*
- Form 1098 T – Higher Education Tuition credit – *issued to the student reporting tuition and any scholarships or grants received. Please bring receipts/bank statements or proof of payment for tax credit.*
- Form 1095 A – Health care premium tax credit

## New or additional dependents:

- Please provide a photocopy of his or her social security card
- Taxpayers with divorce effective after 2008 need to have IRS form 8332 release signed from custodial parent to claim dependent or credits.

## 2018 Mileage Rates:

Business Mileage	54.5 cents per mile*
Medical Mileage	18 cents per mile
Charitable Mileage	14 cents per mile

\*Applies to business schedules only. Cannot be deducted itemized as a non-reimbursed employee expense on schedule A.

2018 Traditional IRA Contribution and Deduction limit: \$5500.00 - \$6500.00 if age 50 or older. Income phase outs for IRA deduction (if you are covered by a retirement plan at work): \$101,000 - \$121,000 for married filing jointly, \$63,000 - \$73,000 for single filers, \$10,000 for married filing separately.

2018 Roth IRA Contribution Limit: \$5500.00 - \$6500.00 if age 50 or older. Income Phase out for contributions is \$189,000 - \$199,000 for married filing jointly, \$120,000 – \$135,000 for single filers, \$10,000 for married filing separately

## 2018 HSA Contributions

Individual coverage – \$3,450 Family coverage – \$6,900  
Catch-up contribution \$1,000 for an account holder age 55 or older

Thank you,  
Ingram & Co., Inc.

# Agreement for Engagement of Income Tax Service

Client Name: \_\_\_\_\_

Tax Year: \_\_\_\_\_ Tax Type: \_\_\_\_\_

This letter is written to confirm our understanding of the terms of our engagement and the nature and extent of the income tax services this office will provide.

We will prepare your Federal Income Tax Return for the year specified above. We will not verify all of the data you submit; however we will ask you to clarify or substantiate some of the information. We will be available to assist and guide you in gathering the necessary information by furnishing you with questionnaires and worksheets, and by answering your questions.

It is your responsibility to provide all the information necessary to complete your tax return. You need to retain all documents and records to substantiate the items of income and expenses claimed on your tax return. Since you have the final responsibility for the information on your tax return, it is highly recommended that you review your return carefully before signing it.

We will retain our work papers and a copy of your tax return for your engagement for five years. All of your original records will be returned to you with your tax return. If you should need additional copies, we will provide that directly to you for an additional fee.

Fees for our services for this engagement are due upon completion of your tax return. **Prepared returns will not be released without full payment.** Your return is subject to review by taxing authorities. Should an examination or inquiry occur, we will be able to represent you at an additional fee.

This engagement letter also informs you of our privacy policy. We value your trust and confidence and want to assure you that we keep information about you secure and confidential. We adhere to the highest level of professional ethical standards and obligations to protect the confidentiality of all client information. We do not disclose any non-public personal information about our clients or former clients to anyone. We restrict access to non-public personal information to those professionals necessary to prepare your income tax return, and maintain physical, electronic and procedural safeguards to protect your non-public information.

Thank you for this opportunity to work with you. By signing below, you are acknowledging that you have read, understand, and accept the conditions of this engagement and our privacy policy.

Client \_\_\_\_\_ Date \_\_\_\_\_

Tax Preparer \_\_\_\_\_ Date \_\_\_\_\_