Gargans Tax Services LLC

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UPDATES FOR TAX YEAR 2018

SCHEDULING – Operating Hours Mon. - Fri. 10 AM to 9 PM, Sat. 9 AM to 6 PM, and Sun. closed. The last evening appointment is 7:45 PM and Sat. 4:45 PM. We are scheduling home office appointments now for tax season. Please call to reserve a time that is convenient for you (540-371-4923). Be ready with your preferred phone # for us to contact you if a need arises, your email address (for us to send the engagement letter before tax preparation) and your type of return (Individual or Business). We do accept drop-off returns but the sit-down procedure eliminates the calls for additional information needed and speeds up the refund process for you.

AFFORDABLE CARE ACT- If you received a Form 1095 from any issuer or agency we MUST have all copies to prepare your tax return. If you did not receive a 1095 we must ask you a number of additional questions about insurance coverage so that we can help you avoid any penalties for failure to have health insurance. This is the last year we will be addressing this item, as the Tax Cuts and Jobs Act repealed the ACA starting 2019.

DUE DILIGENCE REQUIREMENTS- Last year, this became a reality for those taxpayers who qualified for the EIC- Earned Income Credit, CTC- Child tax credit, and AOTC- American Opportunity credit. This year HOH- Head of Household Filing status has been added to the list. Additional forms were completed by me included with the submission to the IRS. If I fail to comply, a penalty of $520 will be charged against the tax preparer for each type of credit & HOH review. Needless to say, all who met these credit requirements were most cooperative and get ready for another round in 2018. Charge for form 8867 is $46.00. Additional documentation will be requested such as health insurance records, student report cards, and lease agreements. Etc. I will work with you to get what I need so this $520 penalty is not assessed against me.

SECTION 199A (QUALIFIED BUSINESS INCOME (QBI) DEDUCTION (QBID)) - This is new for 2018 and with it are some strict rules. If you are an owner of an Scorp and receive a K1 with a positive amount on line 1 then the QBI must be listed on the K1. If it is not then no QBID is allowed on the owners own 1040 tax return. If this happens, you could over pay your Federal Income Tax by a significant amount. I will notify you by letter which you can use to send to the preparer of the K1. This letter just may which may wind up saving you thousands of dollars in Federal Income Tax.

SPECIAL ELECTRONIC FILING IRS NOTICE- I am happy to report that recently the IRS stated that they will begin processing 2018 electronic and paper returns (all types) on Jan. 28, 2019. In addition, the IRS has expanded electronic filing to include prior years 2016 & 2017 starting on Jan. 28, 2019 for all return types.

PASSWORD PROTECTED – All scanned tax documents that I email to you will be password protected. After the file name, ".protected.pdf" will appear indicating a password is required to open it. PW to open is **First 4 letters of your last name (lower case) followed by First 4 numbers of your ssn.** I will always select the first (Taxpayer) ssn. On a single, head of household return or married filing separate there is only one Taxpayer. On a joint return, it will be the first name. If the husband's password doesn't open the document than the wife's will. Please place a note handy of your password so you can open the document.

COMMUNICATION- My best form of communication is email b/c most times attachments accompany them. If at all possible, I prefer a PDF to a jpeg b/c the PDF is usually easier to read and covers all corners of the document. At times, a jpeg sent through a text may not, which means I will be requesting another document scanned.

DISCOUNTS & REFERRALS – The attached price list (with discounts) went into effect January 1, 2019. Price increases went into effect due to hardware & software costs incurred to improve operations and turnaround times. In addition, personnel have been hired to assist with processing returns. We highly recommend using the Tax Organizer that you may obtain by contacting us at the above phone number or by e-mail: drgargan@verizon.net. Referral rewards are given according to new paying clients. Thank you to those of you who have sent me new clients!

PAYMENTS – We accept cash, debit/credit cards, and personal checks. We cannot accept post-dated checks. For your records, we do recommend a money order instead of cash.

NEW CLIENTS - Please bring your prior year tax return, which will be reviewed for free. In addition, in most instances information is needed from this prior year tax return to complete the current year tax return.

Shipping & Handling – For mailed returns, there may be a charge of $20 to mail your return in a secured manner to insure the confidentiality of its contents.