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Dear Friends,

What a difference a year makes. Last year was the year the new tax laws took effect. The Tax Cuts and Jobs Act 2017 not only changed the tax brackets, but also eliminated many deductions and exemptions which US taxpayers have been used to taking for many decades. Congress with its desire to make it easier for lower income taxpayers to file their taxes increased the standard deduction to \$12,000 for single people and \$24,000 for married filing joint. Balancing that has been the elimination of individual exemptions of \$4,000 per member of the family which for a family of four equates to \$16,000. A child tax credit of an additional \$1,000 barely helped offset the eliminated exemptions.

Now we know that for many it was easier, but costly. A promise made that taxpayers would be able to file their taxes on a form the size of a large postcard became impossible when you consider two to six additional postcard forms to complete the total data entries. With state income tax and local property tax (SALT) deductions capped at \$10,000 fewer taxpayers were able to itemize. Recognizing this New York State eliminated the cap and continued to use the basic tax forms and methodology of the pre 2018 tax returns. Yes, last year was an interesting and costly tax season for many. For tax year 2019 we still have the same two tier system of Federal and State though the idea of a postcard has faded into history. Additionally the tax code has been adjusted for inflation. Yet some of the same inequities exist. Recent new IRS regulations have defined better the Tax Code but has not changed the basic code itself.

Today the staff of E&R/John P. Spinelli CPA is geared up for year 2 of the new tax code. We are here to help you understand the changes. And the good software of Lacerte 2019 has been downloaded and ready to play its part.

Many of you have been with us for numerous years, some being with us for decades. Because of your faith in us, we have grown as a tax, business and accounting services serving not only the south shore of Long Island, but serving clients from New England to Florida, from New York to California. And, yes, with clients overseas as well. Working out of two offices, Patchogue and Rockville Centre, we have also become better able to service accounting and business clients in both Nassau and Suffolk Counties.

With the changes of each tax season the staff spends considerable time working with professional accounting and tax preparation groups, as well as with the IRS and various federal and state agencies, preparing for this year's work. We are prepared not only to help you with tax preparation, but also with long term financial and tax planning issues. Check our website (www.ertaxinc.com) and find a data base of tax and financial information.

As soon as you receive all of your tax documents (W-2s & 1099s, bank, securities, social security, pension and mortgage statements, 1098s and 1095s), gather your receipts and visit us again. With a fully computerized office, upgraded with new CPUs and Windows 10 and the latest in tax preparation technology, including electronic filing, we are prepared to provide you with the most complete tax service possible including help in times of audit and correspondence requests.

Because of the amount of documentation involved, we, once again, urge all our clients, if at all possible, to hand deliver, send by post, e-mail, or fax your tax and financial documents to us in advance of your appointment. That way we can save you time in waiting for the documents to be scanned and entered into our computer system. Also, remember to sign and return the attached required engagement letter and check the questionnaire.

As in previous years our office hours are extended during the tax season. **Monday to Friday (January 27 to April 15): 9 am - 8:30 pm and Saturdays (February 1 to April 11): 9 am - 3:30 pm.** Please note that individual tax returns cannot be filed until the end of January. We will prepare returns before that date and hold them until they can be e-filed. Call us at 631-475-3322 to make an appointment. Since week-end and evening hours fill up the quickest, please call as soon as possible. For our mail-in clients please send us your documents as they are available so that we can quickly begin your returns. We thank you also for your recommending our services to relatives and friends. We know our best new clients come from our own satisfied clients. On behalf of our tax consultants and office staff, Linda, Susan, Terri, Chris, Alex, Tish, and Pat, we thank you for your loyalty and wish you the best for 2020.

Sincerely yours,

Ralph B. Wright, Jr.

John P. Spinelli

Robert Otto