

E&R Tax and Business Services Inc.
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Dear Friends,

This is the year the new tax laws take effect. The Tax Cuts and Jobs Act 2017 has changed not only 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 has 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 will barely help offset the eliminated exemptions.

Also, as part of the new law, taxpayers will be able to file their taxes on a form the size of a large postcard, though it may take an additional two to six postcard forms to complete the total data entries. Additionally state income tax and local property tax deductions are now capped at \$10,000, though New York State eliminates the cap and will continue to use the basic tax forms and methodology of the pre 2018 tax returns. Because of the partial shutdown of the government which includes the Treasury Department and the IRS, as of the writing of this letter not all tax policies/procedures have been completed and shared with taxpayers, including tax professionals. Yes, it will be an interesting tax season for many.

The staff of E&R/John P. Spinelli CPA are geared up for this year's tax season. We may not have all the answers for 2018 but we sure are in good shape to help you understand most of the changes. And the good software of LaCerte has been downloaded and ready to play its part.

Now, on a different level some big news for E&R Tax and Business Services, Inc. Many of you have been with us for numerous years, some being with us for some decades. Because of your faith in us, we have grown as a tax and business services. We started out working out of our homes and autos with neighbors and local business as our clients. Today we have a store front in Patchogue with clientele that is not only based on Long Island but with clients from New England to Florida, from New York to California. And, yes, with clients overseas as well.

Our services to clients and the community continue to grow thanks to our new relationship with John P. Spinelli, CPA, CFP, P.C. of Rockville Center, NY. Working together out of two offices, Patchogue and Rockville Centre we have become better able to service not only tax clients but also accounting/business clients in both Nassau and Suffolk Counties.

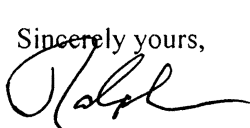
With the changes of each tax season the staff of E&R spends considerable time working with professional accounting and tax preparation groups, as well as with the IRS and various federal and state agencies, preparing for this year's work. We are prepared not only to help you with tax preparation, but 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 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.

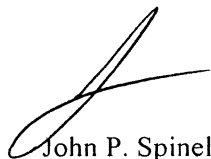
Because of the amount of documentation involved, we urge all our clients, if at all possible, to hand deliver, send by post, e-mail, or fax your tax and financial documents to us in advance of your appointment. That way we can save you time in waiting for the documents to be scanned and entered into 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 21 to April 15): 9 am - 8:30 pm and Saturdays (January 26 to April 13): 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 and Pat, we wish you the best in 2019.

Sincerely yours,



Ralph B. Wright, Jr.



John P. Spinelli



Robert Otto