

The Numbers for Tax Year 2018

Standard Deduction

The standard deduction for joint returns is at \$24,000, if one is over 65 - \$25,300, both over 65 - \$26,600; single taxpayers \$12,000; over 65 \$13,600; married filing separate \$12,000 over 65 - \$13,600; head of household is now \$18,000, over 65 - \$19,600.

Exemptions

With the increase in standard deductions there are no longer any exemptions.

Child Tax Credit

The Child Tax Credit doubled to \$2,000 for 2018 and is partially refundable. The credit is limited by your modified adjusted gross income- \$400,000 for married filing jointly, \$200,000 for Single/Head of Household and \$200,000 for Married Filing Separate.

Education Credit

Maximum AOTC (Hope) Credit for college tuition remains at \$2,500.

Saving for Future Retirement Saves on Taxes Today

Putting money in a Regular or Simple IRA, 401k, 403b plan will not only help you in your retirement years it will also lower your taxes because your contribution will not be taxed in the year you make the payment. Taxes will be taken at the time of distribution, when most people are in a lower tax bracket or may not be taxed by New York State at all. E&R works with Investment Counsellors to help you through the retirement maze.

Do I Need to File A Tax Return?

You may not need to file a return because of the need to pay federal income tax, but tax returns are necessary when setting up payment plans with the government. They are also helpful for Seniors applying for Property Tax Relief. Likewise they are useful when interfacing with various financial institutions.

A Tax Quote

“Taxes are what we pay for civilized society.” – Oliver Wendell Holmes, Jr. U.S. Supreme Court Justice

Note: *We Guarantee Quality Tax Preparation with Fees that are competitive with the National Tax Preparation Chains*

Missing a W-2 or 1099 or 1098?

It doesn't have to be a crisis if you have lost your W-2 form. The easiest and best way is to contact your employer and ask for a duplicate copy. They are required by law to provide W-2 information. If that is not possible speak to your E&R tax consultant. With time W-2 and other data information can be obtained directly from the IRS and various states.

Needed: e-mail Addresses

Not just the US, but the world has gone digital. To ensure that we are able to communicate with you in a timely manner refunds, unreported income, audit issues, etc. we need your e-mail address. If you haven't given it to us send it by e-mail to info@ertaxinc.com.

A Repeat Need For Caution

A warning has been once again issued about a fraudulent scheme targeting Electronic Federal Tax Payment System users. The scheme uses an e-mail claiming that the user's tax payment was rejected and directs the user to a website for additional information. The website contains malware that will infect the user's computer.

The IRS **does not** initiate taxpayer communications through e-mail. Nor does it call taxpayers by telephone. Nor does it demand immediate payment of back taxes or penalties. If anyone receives such a message claiming to be from the IRS, do not reply.

Report and identify these callers or other phishing, e-mail scams by forwarding the information to the IRS and let the E&R office know of the situation so we can help you thru this painful process. For those with identity theft it may take a year for you to get your refund

Let E&R and J Spinelli save you time & worry!

We have provided year-round accounting, bookkeeping, tax preparation and financial services on Long Island since 1967. The firm is associated with the National Association of Tax Practitioners and National Association of Enrolled Agents.

Clients include individual wage earners, self-employed, retirees, small and medium sized businesses, corporations, non profits, overseas filers and trusts & estates.

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