



2016 TAX SEASON

E-File Tax Services of Nevada, INC

January 2017

Your Favorite time of year— Tax Season!

The best thing about January each year is knowing that we will soon be seeing all of our favorite clients! Even though it is such a busy time, it is always fun to see you and catch up with what is going on in your lives.

The results of the recent election will most certainly bring additional changes. At this point, no one can predict exactly what they will be. You can be confident that we will stay on top of the things that may affect you going forward.

Probably the biggest thing that will affect some of you for this filing season is the “Path Act”. This legislation delays the disbursement of refunds for anyone receiving Earned Income Credit or Additional Child Tax Credit until February 15th. **Everyone not receiving** EIC and/or Additional Child Credit will be processed as normal. Come in as soon as you receive your W2 or 1099 since refunds will be issued in the order they are received. This year we can start preparing tax returns as early as January 15th. Do not wait till February 15th to file if you are receiving Earned Income Credit and/or Additional Child Tax Credit. We can still e-file your tax return early. The sooner you file, the sooner you will receive your refund.

Again this year, we are able to offer the service of deducting your tax preparation fees from your refund. There is an additional processing fee required, but this can allow you to file without any money out of pocket. If you want direct deposit for your refund, make sure that we have your current bank information. There is no additional charge for Direct Deposit.

Our website at www.efilenevada.com is filled with information and links to sites that will help you with tax questions. Be sure to take advantage of it.

As always, we sincerely appreciate your loyalty and support. We continue to be a year-round operation; we don't disappear after tax season like so many companies do. Our bookkeeping and payroll services continue to grow, and if you own and operate a small business, we can help.

HAPPY NEW YEAR TO YOU AND YOUR FAMILIES!

SEE YOU SOON

Jessie, Jamara, Katie, Sandra & Brent



2017 CLIENT NEWSLETTER

E-FILE TAX SERVICES OF NEVADA, INC
Updates on the 2016 Tax Filing Season

WINTER NEWSLETTER
January 2017

How Year-End Legislation Could Shape Your 2016 Tax Picture

2017, which will see the swearing in of Donald Trump as the 45th President of the United States and the GOP retain control of both the U.S. House of Representatives and Senate, is expected to bring considerable changes to tax laws. As 2016 and the 114th Congress draws to a close, however, other pending legislation could make an impact on 2017. The following provides a snapshot of tax-related issues that were in play when Congress reconvened following the November 8 elections.

Projected Impact: Before the November 8 elections, the House of Representatives approved a number of tax bills, which will likely be part of year-end 2016 tax legislation or legislation to be approved in early 2017. These include bills related to the IRS's civil asset seizure authority, employee stock ownership plans, the tax treatment of certain damaged crops and more.

The House Ways and Means Committee also is currently working on legislation based on the House GOP "Better Way" tax reform blueprint that was released in June of 2016. The "Better Way" blueprint shares some similarities with proposals mentioned by Trump during his campaign. Although tax reform hearings that have been held over the past several years have laid a foundation of data on which reform proposals may be considered, it is uncertain at this time whether a final tax reform bill with Congressional and Administration consensus can move forward quickly enough to be considered in 2017. Also uncertain at this time is whether any of the "Blueprint" or Trump proposals may be made retroactive to January 1, 2017, if passed into law soon enough in 2017.

Temporary tax breaks (extenders) scheduled to expire after 2016 unless Congress extends or make permanent.

For Individuals, extenders expiring after 2016 include:

1. Higher education tuition and fees deduction
2. Code Sec 25C nonbusiness energy property credit
3. Mortgage debt forgiveness exclusion
4. Mortgage insurance premium deduction

(Walters Kluwer Tax Law Updates & Projected Impact)

For businesses, extenders expiring after 2016 include:

1. Film, TV, live theater production expenses elections
2. Mine safety equipment expenses elections
3. Code Sec 199 deduction for production activities in Puerto Rico
4. Three-year recovery for race horses
5. Seven-year recovery for motorsports complexes

Some energy extenders expiring after 2016 include:

1. Additional depreciation for 2nd generation biofuel plant property
2. Fuel Cell Motor vehicle credit
3. Energy efficient commercial buildings deduction
4. Code Sec 199 deduction for independent oil refiners
5. Credit for new energy efficient homes
6. Second generation biofuel producer credit
7. Incentives for biodiesel, renewal diesel and alternative fuels.

Permanent Extenders from 2015:

1. State and local sales taxes deductible
2. Research expenses eligible for tax credit
3. Enhanced Code Sec 179 expensing available
4. Teacher's classroom expenses deductible.

Health Coverage for 2016

The Individual mandate's fine for going without health coverage soars in 2016. The basic fine for not having health insurance increases to \$695 per adult and \$347.50 per child, with a family ceiling of \$2085. And the income-based levy increases from 2% to 2.5% of the excess of household income over the tax return filing threshold.

New Services available this year

We are now offering prepaid business consultation service. Previously, consultations were billed at \$100 per hour. For an annual cost of \$150, you can have unlimited phone and in-person meetings at no additional costs. Take advantage of our expertise to help you with your business questions.



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**BASED IN NEVADA
PREPARING TAXES NATIONWIDE**



QUICK TIPS FOR BUSINESSES

- Call us for your Payroll and bookkeeping needs.
- Maximum depreciation allowed for a truck or van used in business and first placed in service in 2016 is \$3,160 (\$3560 for trucks and vans under 6,000 lbs or less)
- Maximum employee elective deferral amount for a 401(k) or 403(b) plan is \$18,000 in 2016 With Catch up Contributions another \$6000.
- Corporate officers of an S Corporation performing services for their corporation must be paid reasonable W2 salary through payroll. Salary should be based on what others in the same field are paid .

Tax Season Quick Reference Guide:

Personal Exemptions for 2016: \$4,050

Standard Deduction for 2016:

MFJ, QW	\$12,600
Head Of Household	\$ 9,300
Single/MFS	\$ 6,300

Foreign Earned Income Exclusion: \$101,300.

Gift & Estate Tax for 2016:

Applicable Exclusion Amt	\$5,450,000
Annual Exclusion for Gifts	\$ 14,000
Annual Exclusion for gift to noncitizen Spouse	\$148,000

Standard Mileage Rate for 2016:

Business—per mile	\$0.54
Medical/Moving	\$0.19
Charitable	\$0.14

Student Loan Deduction: \$2,500

Child Tax Credit Phase-Out for 2016:

MFJ phases out at \$110,000
S, HH, QW phases out at \$75,000
MFS phases out at \$55,000

Maximum EIC for 2016:

Taxpayers with one child	\$3,373
Taxpayers with two Children	\$5,572
Taxpayers With three or More	\$6,269 .
Taxpayers with No Children	\$ 506

Credit Limitations for 2015:

Child Tax Credit	\$1,000
Adoption Credit	\$13,460
American Opportunity Credit	\$2,500
Lifetime Learning Credit	\$2,000

**CORPORATION RETURNS & EXTENSIONS ARE DUE ON OR BEFORE MARCH 15th
INDIVIDUAL RETURNS & EXTENSIONS ARE DUE ON OR BY APRIL 18th**

You must call in to request an extension and a deposit will be taken for the extension at that time. \$50 deposit is required for individuals and \$100 deposit for Corporations. All deposits are applied to the cost of the return.