

TAX SHOP & FINANCIAL CENTER

*Taxes-Accounting IRS Representation-Investments**

38 Main Street, Saugus, MA 01906

Office – 781-233-2003 Fax – 781-233-2484

www.taxshopsaugus.com

Greetings to all of our clients, customers, and friends!

It's hard to believe, but another year has gone by, and it's tax time once again. Please call the number above to book your appointment.

To help you prepare, we provide a checklist on our website at www.taxshopsaugus.com. On the landing page, look for a link in green font on the left.

A technique many clients find useful is to get the return from the previous year out, see which documents were required at that time, and round up the same docs for the new tax year. Obviously, if you had drastic changes in your situation, this will be incomplete, but for a lot of people, this system works pretty well year by year.

There were not a lot of changes to the tax code this year, but we'd like to point out a few things.

The Educator Expense Deduction has finally been made permanent. This is a modest deduction for teachers, teacher's aides, principals, counselors, and instructors, for out of pocket expenses incurred. For several years now, this deduction has been at risk of expiring, but now it is permanent. If you or your spouse do any of the aforementioned jobs, mention it to us, and we will be happy to process the deduction for you.

Another feature that has been at risk each of the last several years is the Non-Business Energy Property Credit. This provided partial relief for homeowners with expenditures for certain energy efficiency-related home improvements. Several times in the past several years, congress saved this credit by renewing it at the last instant. Now it has expired as of 12/31/16. If you made improvements to your primary residence for a heat pump, furnace, insulation, windows, or exterior doors, you may qualify for the credit this one last time, for 2016. There is no telling if the credit will be reinstated, and as of now it's expired, so going forward, don't do these things for the sake of the tax break. Do them if you want to make the improvement in the first place.

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One other thing we'd like to make you aware of:

The rules surrounding the release of taxpayers' returns documents are now pretty tight. This is designed to protect your privacy.

Let's say you apply for a loan, and the lender wishes to see your last three tax returns, and you can't locate your copies. Typically in the past, you could call us, and we could mail or fax them to the bank for you.

Now we are required to secure your written permission before we can release your return. The penalty if we fail to comply can be as high as \$1250 for each instance, and up to a year in *prison*. We hope you will understand if we insist on getting that written permission first.

Of course, we can discuss these and other details when you are in for your appointment. Please be sure to have all of your applicable documents. Consult the checklist on our website at www.taxshopsaugus.com!

And as always, we appreciate your business!
We'll be looking forward to seeing you soon.