



# Marino and Associates, Inc.

August, 2018

Greetings

We hope that you are having nice summer.

I want to remind you, that you are entitled to a free tax consultation during our slow time. You may be interested in these topics:

1. The Tax Cuts and Jobs Act, the tax reform legislation enacted in December 2017, made major changes to the tax law for 2018 and future years. This included increasing the standard deduction, removing personal exemptions, increasing the Child Tax Credit, limiting or discontinuing certain deductions and changing tax rates and brackets.

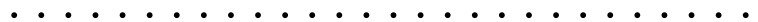
There was a new report included with your 2017 tax return "Potential Tax Cuts and Jobs Act Impact" which project your 2018 difference in Income Tax under the new law if everything was the same as 2017.

The IRS changed the withholding tables in February to withhold less from your paychecks and retirement payments. Since the withholding tables use the number of exemptions to determine the withholding amount and the 2018 tax return will not use the number of exemptions, the amount being withheld may not be correct.

The IRS has developed a "Withholding Calculator" that may help figure a more accurate withholding amount.

This Calculator helps you identify your tax withholding to make sure you have the right amount of tax withheld from your paycheck at work.

You can also do nothing and see what happens next year when we prepare your tax return but be aware your refund may be smaller, or you could have a larger balance due.



If you are an employee, the Withholding Calculator helps you determine whether you need to give your employer a new Form W-4, Employee's Withholding Allowance Certificate. You can use your results from the Calculator to help fill out the form and adjust your income tax withholding.

If you wish our assistance in using the calculator please feel free to contact us and we will be glad to help you.

[Withholding Calculator](https://apps.irs.gov/app/withholdingcalculator/) <https://apps.irs.gov/app/withholdingcalculator/>

2. Remember that just because you have a higher standard deduction on your Federal tax return, you still may itemize your deductions on your Oregon tax return. So, be prepared with all your deductions at your tax appointment.

3. Although tax professionals are still waiting for guidance from IRS, deductions for mortgage interest and home equity interest will be allowed only if the funds were used to purchase or improve your residence. This can become complicated if part of your loan does not qualify for an interest deduction (like to pay off credit cards). Call us so we can talk about this now instead of at your tax appointment.

4. We always want to talk if you are thinking of selling your home. Now, with a new Oregon First Time Home Buyers Deduction, we should talk if you are considering your first home purchase.

5. Start your child or grandchild on becoming a multi-millionaire if he/she has a summer job. You can contribute to a Roth IRA for him or her, up to \$5,500 for 2018, but no more than the child's earning.

As always, if you have any questions or concerns, please call us.

Sincerely,

Dale Marino EA #65613, LTC #5481C