

Of Note for 2018

Taxpayer POAs

With your tax returns this year you may find taxpayer Powers Of Attorney to sign. These forms primarily allow us to talk to taxing authorities on your behalf and is limited to dealings with taxing authorities. This is different from a Durable Power of Attorney. If there are any questions from a taxing authority or, if we need to verify amounts reported to the IRS, having POAs on file will greatly expedite the process. We have found that having these signed before a problem arises helps us to resolve any issues quicker. Each spouse on a US tax return (Form 2848) is required to sign a separate POA. Only one IN POA (Form POA-1) is required for a married couple. With your tax returns you will find an Indiana Department of Revenue Power of Attorney (Form POA-1). The IN POA is good for 5 years from the date signed. The IRS POAs are good for listed prior years and up to three years in the future if listed on the form. While you are not required to sign these forms, we strongly recommend and encourage you to sign them and return them to us.

Emergency Contact Information

We are encouraging clients to give us emergency contact information, especially for those that are over 65. We recommend that this be the person that holds your Durable Power of Attorney. This will give us a point of contact in case something happens to you and we need to finish your tax returns. This does not give us permission to share your tax return information, only to contact them if we believe something has happened to you (such as you haven't responded to us and are a month past when you usually bring us your tax information). We also encourage you to provide us with copies of your Durable Power of Attorney.

Increased Fees

Due to the Tax Cuts and Jobs Act of 2017, the amount of work that goes into a tax return may increase. As a result of the additional time needed to complete returns accurately and to ensure maximum tax savings, you may see an increase in our fees. Please know that we will do what we can to keep our fee increase to a minimum. Good record keeping on your part will help decrease the amount of time we need to complete your return.

Increased NetClient Portal Security

Because of new IRS regulations, the passwords for NetClient Web portals have to be changed to strong passwords. They have to be changed every 90 days. A strong password must contain a minimum of eight characters, at least one uppercase letter, one lowercase letter, one number and one special character. While we don't agree with these requirements, we have no choice but to follow them. If you can't remember your password, click on "Forgot your password?" on the portal login screen.

NetClient Portal App

Want access to your portal on the go? Good news! There is now an app for your portal. The NetClient CS mobile app is available for Apple and Android devices and can be found in the App Store and Google Play. Have access to all of your documents right on your phone. Snap a picture of that important document and upload securely!

Deadlines

If you have a deadline (such as a school deadline, a home refinance deadline) that is not April 15, 2019, please inform us when you drop off your tax organizer. Please drop off your tax organizer at least two weeks before a deadline. This will help to ensure that your taxes are done properly and not rushed. This will also help you to avoid the rushed preparation fee of 20% (see our billing policy for more details on this long standing charge).

Early-Bird Discount

We are continuing the Early-Bird Discount on individual tax returns. If we receive **all of your documents**, except brokerage statements and K-1s, and you have **answered all outstanding questions** by Monday, February 18, 2019 we will offer a 10% discount. With each tax year we have found that more and more people are waiting to drop off their tax information until they have everything. This means that most people are waiting until March to bring in their tax documents. We hope that by offering an encouragement to bring your tax information in earlier we can spread our work out over the tax season. We like not working 80 hour weeks! This discount does not apply to otherwise discounted tax returns (such as minors, dependent children and college students).

e-Signatures on Tax Returns

In an effort to improve your tax filing experience, we are offering a secure method by which individuals can securely electronically sign an approval to electronically file their personal income tax returns. This method is approved by the IRS and is known as Knowledge Based Authentication. You will receive an email with a link to a third party system that will ask you questions that only the taxpayer should know. This would save you from having to print, manually sign, and return the forms to us via fax, US mail, or scanning. There is a box on your 2018 Client Organizer Questionnaire that you can check to let us know if you are interested. In order to use this method each person signing the return must have their own email address (ex. taxpayer@email.com and spouse@email.com). **NOTE:** This method generally does not work for minor or college age children.

Identity Theft & IRS Rejections

As more people have become victims of identity theft, the Internal Revenue Service is allowing for driver's license information to be transmitted along with electronic returns. In the event that the IRS receives multiple returns for the same social security number, the return with the driver's license information is more likely to be accepted. While transmitting your driver's license information along with your return is not required, we recommend sending the information if you are a potential victim of hacking (ex. Equifax breach). This will help prevent further delays in the processing of your return in the event your information has been stolen. If you wish to include this information, please provide a copy of your driver's license.

Tax Extensions Permission

When the April 15th due date of personal tax returns rolls around, many of our tax clients are used to us automatically filing extensions if they haven't brought in their tax information to us by then. Due to certain legal and policy requirements, we cannot file extensions without your express permission. If we haven't heard from you as April 15th approaches, expect to hear from us. If we have your information, but, for whatever reason, we cannot finish your returns in time to meet the April 15th deadline, we will contact you about the extensions. **If we do not hear from you by the April 15th extension deadline, we will not automatically file an extension for you.** There is no additional charge for filing an extension. If you think you might owe with your extension and need us to estimate your payment, please provide estimated information by March 31st in order to avoid the rush fee of 20%.

Taxing Authority Notices

Our billing for preparation of your personal income tax returns includes the fees for tax preparation only. Also, we are available to answer brief questions throughout the year at no additional charge. Please see our Billing Policy for details. When a client receives a notice from a taxing authority, we often receive calls from our clients regarding the notice. We are happy to assist in resolving the issues raised in the notice. We want to emphasize that, unless the notice is due to our fault, this work is billed separately from the year-end tax return preparation. It is not included in the tax preparation fee. If you are concerned about what the charges may be, we will be happy to discuss them with you in advance. If you would like us to automatically receive all notices that you receive, please fill out Form 2848 found on our website under "W&A Forms", and return it to us.

Failure to File and Failure to Pay Penalties

The Internal Revenue Service will assess a failure to file and failure to pay penalty for filing your Federal Tax Return late. The penalty for filing late is 5% of the unpaid taxes for each month or part of a month that the return is late, with a maximum of 25% of the unpaid taxes. If the return is more than 60 days late, the minimum penalty is the smaller of \$210 or 100% of the unpaid tax. The penalty for failure to pay the taxes by the due date is ½% of the unpaid taxes for each month or part of a month after the due date that the taxes are not paid. You must have paid at least 90% of the actual tax liability by the original due date, regardless of extensions to file. The IRS will also charge interest on the unpaid balance.

The State of Indiana allows for a penalty of \$10 per day (to a maximum of \$500) to be assessed on taxpayers that fail to file an annual individual income-tax return—even if they do not owe tax or are due a refund. There is also a penalty of 10% of the amount due with a minimum of \$5 for not filing your return on time. If you do not pay 90% of the tax due by the original due date, you may be subject to a penalty and to interest charges on the unpaid balance. The current interest rate is 3%.

Most states charge late filing and payment fees.