

## Tax Matters Newsletter (2015... or is it 2016?)

A few things got in our way last fall (unprecedented growth was one good factor), so for the first time we didn't get our personal income tax newsletter produced. We still provide our monthly 'canned' newsletter via email which hopefully provided you with some timely tax information if you are signed up for it. You can sign up for that letter at [www.gsgcpas.com](http://www.gsgcpas.com).

### **Scamming**

Thanks to scammers' continually evolving criminal activity, we feel it is never a waste of time to keep our clients and others vigilant. Nary has a week gone by without a client calling to say they have received an email or phone call from someone claiming to be from the IRS, or lately from the Social Security Administration. This time of year the scammers are very busy!

One client just received a very official looking email from IRS.com (rather than the real IRS web address at [www.irs.GOV](http://www.irs.GOV)). The email stated that the taxpayer needed to update e-file information with the IRS before filing their 2015 tax return, and needed to click on the attached link to do so. Thankfully, our client has heard us warn of this type of thing before and simply deleted the email. Fraudulent emails can be forwarded to the IRS at [phishing@irs.gov](mailto:phishing@irs.gov) or to [spam@uce.gov](mailto:spam@uce.gov). Deleting it seems to be the safest bet though.

The IRS website has a large amount of information about protecting your identity and your personal information. The following links are just a few available, and they are very informative (should be able to locate quickly at [www.irs.gov](http://www.irs.gov) to simply click links there).

Scam phone calls: <https://www.irs.gov/uac/IRS-Urges-Public-to-Stay-Alert-for-Scam-Phone-Calls>

Identity Theft: <https://www.irs.gov/uac/Ten-Things-to-Know-about-Identity-Theft-and-Your-Taxes>

Email and other scams: <https://www.irs.gov/uac/Dont-Fall-for-New-Tax-Scam-Tricks-by-IRS-Posers>

Protect ID online: <https://www.irs.gov/uac/Tips-to-Protect-Your-Personal-Information-While-Online>

There is also a new situation to be aware of. Supposedly due to further budget cuts (not sure how much more they can cut the resources of the IRS), the IRS has started using "third party" tax collectors as of January 1, 2016. Hence, some fear this could open up new potential scamming threats. However, just know that the IRS will always still send certified notices and letters before any LEGITIMATE third party collector contacts you via phone or email. If you haven't been notified by the IRS first, or believe you don't owe any tax, the third party collector call is probably fraudulent. Odds are good you won't go to jail if you hang up on them.

## **ACA (Affordable Care Act) 2016 Penalties, or “Shared Responsibility Payment”**

There are many complex regulations and reporting rules under the Health Care Reforms of the past few years, but here is just one item that you or those you know may be the most interested in from a tax standpoint. The penalties for NOT having minimum required health insurance coverage in 2016 is as follows:

The greater of \$695 per adult (plus half of that for every dependent child), or 2.5% of your household income. If your household income is high enough, the maximum penalty could be as high as \$2,500 if one dependent exemption, and up to \$12,500 if five or more exemptions in the household.

You should be comparing the cost of having sufficient health insurance coverage with the cost of these penalties above, in addition to the cost of medical services in the event of medical issues and emergencies.

## **Last year’s Tax Organizer Questionnaire Contest answers**

We do need to finally give our favorite answers to LAST year’s Tax Organizer Questionnaire Contest. The question was: “Justin Verlander of the Detroit Tigers is in the midst of a \$220 million contract. He is dating multi-millionaire model Kate Upton. Assume they got married and invited you to their house for dinner. What would you talk about?”

1. There were many answers dealing with economics, summarized by this one: “Discuss the wage of the ballpark vendors”.
2. There were also many answers we are unable to print due to the nature of the humor.
3. Other answers included the desire to discuss: Global warming; Uncle Fred Upton; Whirlpool appliances; the need for good CPA’s; etc.
4. In the spirit of the movie “Planes, Trains and Automobiles”, the line in the movie that goes like this: “How ‘bout those Cubs?” ... but substitute “Lions”, “Red Wings”, “Yankees”, “White Sox”, and “Brewers”.
5. From some older clients: “Our grandchildren”; “Our aches, pains, and healthcare”.

And, some of our favorite unique answers:

6. “Would either of you like to buy a coffee shop on Beaver Island”, or “a local hardware store?”
7. “Justin, was your drop in velocity last year due to too much gaming?”
8. “Who will clean up the kitchen when we are done eating?”
9. “Did you attend the grand opening of the Dollar Store?”
10. “The Kalamazoo Promise, and how Detroit could use a similar program.”
11. “Kate, please toss me a dinner roll.”
12. “Kate, which pitch of Justin’s do you like the best?”
13. “Kate, would you like to go outside and play catch after dinner?” (\$50 gift card winner)