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# TAX *ALERT*

January 8, 2014

## NEW: USE OUR WEB SITE TO CONFIRM YOUR TAX APPOINTMENT

As you know, we pre-schedule appointments for tax return preparation. If you chose to pre-schedule your appointment, the appointment that you selected was emailed to you for your confirmation. Please go to our web site at www.defilippisfinancial.com and under the Brilliant Deductions℠ Tax Corner tab, click on Confirm Tax Appointment and follow the instructions. **If your situation changed during 2013 (you sold a home, started a new business, etc.) please call my office now to make sure we have allowed for the proper amount of time for your appointment.** Please arrive **at least ten minutes prior to your scheduled appointment** to allow time for check-in. I know your time is valuable. With your cooperation, I can schedule appointment times that minimize any client inconvenience. If you don't have a prescheduled 2014 appointment and would like an appointment, call me as soon as possible as the majority of our clients have prescheduled and very few appointment openings remain.

## IF YOU SOLD REAL ESTATE, LOOK OUT FOR FORM 1099-S

If you sold real estate in 2013, you might receive Form 1099-S reporting the proceeds from the sale. If you receive this form, please remember to bring it to your appointment as this will have an impact on how your transaction is reported to the IRS.

## LOOKING FOR HELP KEEPING TRACK OF YOUR DEDUCTIBLE MILEAGE?

The MileBug mileage log and expense tracker makes it easy to track your tax-deductible mileage. Learn more at www.milebug.com.

## HERE ARE ANSWERS TO SOME OF YOUR FREQUENTLY ASKED QUESTIONS

### *What is the Prepaid Audit Service?*

Our Prepaid Audit Service is optional and available for an additional fee. This option can save you significant representation fees should your return be audited. It gives you peace of mind knowing that if you get audited your representation fees are pre-paid. This fee will only cover the calendar year tax return for which you have paid. This service will not cover audit representation services for any other tax year. The form is located on our web site under the Brilliant Deductions℠ Tax Corner tab. Click on Client Tax Forms. You may complete the Prepaid Audit Service form and submit it to our office prior to arrival. If interested, your tax professional will discuss this option with you. They will determine if you qualify for the service, discuss the cost and answer any questions you may have.

### *Why do you ask me to show up 10 minutes before my scheduled appointment?*

As a courtesy to Steve, as well as to our clients who have arrived on time, we ask that you arrive at least 10 minutes before your appointment. This guarantees that you are in our office and on time for your scheduled tax appointment. It ensures that time is not taken away from your actual appointment with Steve. We have found this provides enough time for you to check in and complete the necessary paperwork. Clients arriving 10 minutes or more after their scheduled appointment time will be considered late. We have gone to great lengths to minimize any wait time in our office and make your visit as efficient as possible. Consequently, if you arrive more than 10 minutes late for your scheduled appointment time, we reserve the right to reschedule your appointment based on availability. Your cooperation is greatly appreciated.

***Do I have to fill out the Tax Return Appointment Questionnaire again? Nothing has changed; can't you just refer to last year's answers?***

The tax laws are constantly changing. This questionnaire is designed to uncover deductions, credits and other items that will help us make sure you are legally paying the lowest possible income tax. You may complete the form in the privacy of your own home. The form is located on our web site under the Brilliant Deductions℠ Tax Corner tab under Client Tax Forms. Complete the Tax Return Appointment Questionnaire and submit it to our office prior to arrival.

***Why must I schedule an appointment to pick up my tax return? I'm not meeting with Steve, why can't I just drop by your office whenever I'm in the area?***

We always strive to make your interactions with our office as stress-free as possible. We typically have pickup appointments scheduled every 15 minutes. By scheduling your pickup appointment we are able to minimize the wait times when you come to pick up your tax return.

***Why can't I just pick up my tax return folder at the front window and leave?***

Picking up your tax return involves several steps: reviewing your completed tax return, signing the e-file forms, signing the Client Service Agreement, paying any remaining balance of our fee and scheduling next year's appointment.

***Why do I have to review the contents inside my tax return folder with your assistant?***

After 30 years in the business, we have tried to develop a system that works for us and our clients. All of the documents in your tax return folder have a purpose and we want to make sure you understand that purpose.

***Do I (we) have to sign the e-file form(s)?***

The IRS and state taxing authorities require that we have an original signature on the e-file forms.

***Can I sign the e-file form for my spouse, child or parent?***

The IRS and state taxing authorities will not allow you to sign for your spouse. You may sign for a minor child (under age 21) and, if you have a valid power of attorney, you may sign for a parent.

***If I haven't received all of my documents by the date of my tax appointment, should I reschedule my tax appointment?***

We recommend that you keep your appointment. Bring in all of the documents you have received so far. Get us the missing information as soon as it is available so we may complete the return.

***How many times can I reschedule my tax appointment?***

We must limit this request to once per year. Repetitive rescheduling limits the openings available for our clients waiting for an appointment. During tax season we have a finite number of appointment slots available. If you reschedule your appointment and we are unable to fill that time slot, we will never be able to recover the lost revenue for this time. Accordingly, we request that you refrain from rescheduling appointments unless it is absolutely necessary. We send appointment reminders in January each year and also call or email you the day before your appointment as a reminder.

***How does a tax extension work?***

Because you must pay late payment penalties and interest on any unpaid tax after the April 15 filing deadline, when you file an extension you want to estimate your tax liability as accurately as possible. Consequently, we need as much information as possible to accurately estimate your tax liability. Extensions that are filed based upon inaccurate estimates can be ruled invalid by the IRS.

***Does this mean I don't have to pay my taxes until October 15th?***

No. An extension is an extension of the time to file not an extension of the time to pay. Any tax unpaid beyond the April 15 filing deadline will be subject to late payment penalties and interest.

## YOUR REFERRALS ARE ALWAYS WELCOME!

In the past, many of you have asked whether I am accepting new clients. If you know someone who is looking for a knowledgeable tax professional, I would appreciate your recommendation. As an expression of my gratitude you will receive a $20.00 gift card for each confirmed new referral.

## IT'S OUR 31st ANNIVERSARY!

Thanks to you, this tax season will be our thirty-first. Your loyalty and patronage are **greatly** appreciated.

## OUR BILLING POLICY

Thank you for being so supportive of our billing policy. To provide the best value, it is important for me to have a consistent billing policy that is the same for everyone. As a reminder, our billing policy states that **fees for tax return preparation are due at your appointment or when you pick up your return**. Your continued cooperation is greatly appreciated.

## CHECK OUT PREPAID AUDIT SERVICE

Did you know that the IRS has resumed its **random audit program**? If the new program is similar to earlier IRS random audits, it promises to be especially grueling. National experts estimate that it will cost a taxpayer between $500 and $3,500 to hire an expert to provide representation on a random audit. This fact and the increased sophistication of the IRS and Illinois Department of Revenue (IDOR) computers make it increasingly likely that you will receive a proposed tax adjustment or notification of audit. As a result, we will offer our **Prepaid Audit Service** for the year 2012 tax returns we prepare. This service, if selected, entitles you to free representation should the IRS or IDOR audit you. Although I am always available to represent you in an audit, I charge an hourly fee for this service. A simple audit can result in fees of several hundred dollars. If you elect to participate in our **Prepaid Audit Service**, a fee of 25% of your tax return preparation cost will be added to your bill. This fee will cover all representation work done by us on your behalf for your 2011 tax return. As you can see, participation in our **Prepaid Audit Service** can result in dramatically lower audit representation fees. Please note: You must meet our eligibility guidelines to participate.

## DFG IN THE NEWS

My reputation in the tax field has generated more media interest in 2013. As a result, I was contacted by and quoted in *The Daily Journal*, *Accounting Today*, *Kiplinger's Personal Finance*, and *The Wall Street Journal*. Links to these articles are on our web site under the tab Events and News.

## HAPPY NEW YEAR!


My staff joins me in extending best wishes for a New Year filled with good health, happiness and prosperity. We appreciate your business and the confidence you have placed in us. We will do everything we can to earn your continued trust and goodwill.

Sincerely,

Stephen W. DeFilippis, EA

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