



1751 S. Naperville Road, Suite 102, Wheaton, Illinois, 60189-5896  
630-668-3030 P 630-668-2757 F [www.defilippisfinancial.com](http://www.defilippisfinancial.com)  
TAX RELATED EMAIL: [steve@defilippisfinancial.com](mailto:steve@defilippisfinancial.com) INVESTMENT RELATED EMAIL: [stephen.defilippis@ceterafs.com](mailto:stephen.defilippis@ceterafs.com)

**Stephen W. DeFilippis, EA, Financial Adviser**  
Licensed to Represent Taxpayers Before the IRS


**Member:** Illinois Society of Enrolled Agents  
National Association of Enrolled Agents


## TAX ALERT January 2016

### DFG In The News

Steve's reputation in the tax field has generated more media interest in 2015. As a result, he was contacted by and quoted in:

 [CNNMoney.com](http://CNNMoney.com)

 [Credit.com](http://Credit.com)

 [Bankrate.com](http://Bankrate.com)

Links to these articles are on our web site under the tab [News](#).

### DeFilippis Financial Group Website

They are here!! The new fillable PDF forms will be available online by January 28, 2016. Please notify our office should you encounter any trouble.

Links to the new forms are on our website under the tab Brilliant Deductions <sup>SM</sup> Tax Corner, subheading [Client Tax Forms](#).



### Words of Wisdom

“Logic will get you from A to B.  
Imagination will take you everywhere.”

*Albert Einstein, German Physicist  
(1879 – 1955)*

### Best Wishes and Welcome!

You will notice some changes to the office when you come for a visit. A familiar face will not be returning this tax season. Mary Rotrekl has had the pleasure of serving our clients as our Saturday receptionist since 2002. She has decided to start a new business and pursue her passion. We wish Mary the best of luck as she begins an exciting new chapter in her life!

Joining our team in January 2016 as our permanent part-time office assistant is Kathy O'Brien. Kathy will be at the window to welcome you as you arrive on Saturday. Please join us in welcoming Kathy to the office.

### The ACA Individual Mandate

The 2016 tax season will be the first for which you will receive a Form 1095 to indicate compliance with the Affordable Care Act's individual mandate. The following forms will be used to report health insurance coverage. **You will need to bring this form to your appointment:**

- **Form 1095-A - Health Insurance Marketplace Statement**  
You will receive this form if you purchased health insurance via the Health Insurance Marketplace exchange in 2015. It will provide information for you if you need to complete Form 8962 for the Premium Tax Credit. If you or your family members enrolled in more than one health plan via the Marketplace, you will receive a Form 1095-A for each policy. A copy of each Form 1095-A will also be sent to the IRS.
- **Form 1095-B - Health Coverage** - This form is provided by your insurance provider and will have the information needed to report on your tax return that you, your spouse, and any dependents, had qualifying health insurance coverage for some of the year or for the whole year.
- **Form 1095-C - Employer-Provided Health Insurance Offer and Coverage** - This form will be provided to you by your employer and contains information about the health coverage offered to you by your employer. There was a delay in the large employer mandate to provide health insurance coverage so if you do not receive this form from your employer, check with your employer's benefits department.



### What's your password?

In an effort to protect your personal information we are adding an extra layer of security. If you haven't already done so, during your next office visit we will ask you to create a password to verify your identity.

### Office Hours During Tax Season

Reception is open *Monday through Saturday* from 9:30 AM to 5:00 PM.



Tax appointments are required and are scheduled:

*Monday & Wednesday*  
9:30 AM to 8:30 PM

*Tuesday & Thursday*

**Not available for tax appointments**

*Friday*  
9:30 AM to 6:30 PM

*Saturday*  
9:30 AM to 4:30 PM

Sunday **CLOSED**



Pick-up tax return appointments are required. We schedule fifteen (15) minute appointments for each return that is picked up.

*Monday – Friday*  
9:30 AM – 11:45 AM

1:30 PM – 4:45 PM

*Saturday*

9:30 AM – 11:45 AM

1:00 PM – 4:45 PM

Sunday **CLOSED**



### Important Tips to Avoid Tax Return Identity Theft

- Use security software to protect computers. This includes a firewall and anti-virus protection. If tax returns or sensitive data are stored on the computers, encrypt the files. Use strong passwords.
- Beware of phishing emails and phone scams. A common way for identity thieves to steal names and Social Security numbers, passwords credit card numbers, bank account information is to simply ask for it. Clever criminals pose as trusted organizations that you recognize and send spam emails, calls or texts. Their email may ask you to update bank account or tax software account and provide a link to a fake website that is designed solely to steal your login information. They may call posing as the IRS threatening you with jail or lawsuits unless you make an immediate payment. They may provide an attachment which, if you click or download, will infect your machine and enable the thief to access sensitive files or track your keystrokes.
- Protect Personal Information. Do not routinely carry your Social Security number. Properly dispose of old tax returns and other sensitive documents by shredding before trashing. Check your credit reports and Social Security Administration accounts at least annually to ensure no one is using your good credit or using your SSN for employment. Oversharing on social media also gives identity thieves even more personal details.

### Tax Return Copy Requests

A copy of your full tax return is located in the right-hand pocket of the *DeFilippis Financial Group* tax folder you received during your pick up appointment. Additional copies are not kept on file at our office. When you contact our office to request a copy we must generate a new copy for you. Complete the form [Client Request for Additional Copy of Tax Return](#). This form is located on our website under the **Brilliant Deductions<sup>sm</sup> Tax Corner** tab or use the link: [www.defilippisfinancial.com/client-tax-forms-0](http://www.defilippisfinancial.com/client-tax-forms-0).

Please allow 1 to 2 business days to process your request. There is a charge of \$10.00, per tax year, to generate a duplicate copy (paper or electronically) plus mailing costs, if applicable

### What is Form 5498?

In the month of May you can expect to receive IRS Form 5498 if you made contributions to or rolled over funds into an IRA, SEP, or SIMPLE in the preceding tax year. The "custodian" of your retirement account, typically the bank or other institution that manages your account, will mail a copy of this form to both you and the Internal Revenue Service.

While this form will not be needed to prepare your tax return you should keep this copy with your tax records..

### 2016 Standard Mileage Rates

Beginning on Jan. 1, 2016, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) are:

- ◆ \$0.54 per mile for business miles driven
- ◆ \$0.19 per mile driven for medical purposes
- ◆ \$0.19 per mile driven for moving purposes
- ◆ \$0.14 per mile driven in service of charitable organizations

### Filing an Extension

Remember, an extension is an extension of the time to file.

It is **NOT** an extension of the time to pay.

### Joke of the Month

A penny saved is a government oversight.

Author: Unknown



### It's OUR 33rd Anniversary!

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

### Consent to Disclose Tax Return Information to a Third Party

Are you in the market for a new home or a new mortgage rate? Before you begin the lending process, call our office. The IRS tax code contains provisions that are designed to protect the confidentiality of your personal tax information and ensure that you are aware of anyone who is using or receiving your information. Consequently, your written authorization must be obtained prior to releasing information to your broker, lender or any other third party.

To provide us with the required written authorization, please print the *Consent to Disclose Tax Return Information to a Third Party* PDF document (non-fillable) located on our website under the **Brilliant Deductions<sup>sm</sup> Tax Corner** tab [www.defilippisfinancial.com/client-tax-forms-0](http://www.defilippisfinancial.com/client-tax-forms-0). Complete and sign the form and mail with the required fees (if applicable) to our office. Upon receipt, we will disclose the information you have requested to the third party. Please note that we must have an actual signed copy in our office before any tax information can be released.



### MOVING?

Our office values your privacy and we do everything we can to protect your identity. Email accounts can be hacked and requests can be made to re-route your communications. Please understand that we **cannot** accept changes to your personal profile by email.

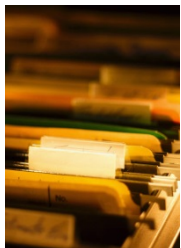
Complete and *sign* the [Tax Client Information Change Request](#) form. To ensure the request is actually coming from you we compare the signature on the change request form to the signature we currently have on file.

We must have your signature on file to make permanent changes to your client record. The form is located on the DeFilippis Financial Group website under the **Brilliant Deductions<sup>sm</sup> Tax Corner** tab, subheading *Client Tax Forms* or use the link:

<http://www.defilippisfinancial.com/client-tax-forms-0>.

If you do not have internet access please call our office to request the form.

## Organizational Tips



Did you make a promise to yourself to be more organized next tax season? If you're just getting started, here are a few suggestions:

- ✓ Label a folder or hanging file Taxes. As you collect your tax documents place them in the file or folder.
- ✓ Use our checklist to help you organize your tax documents. Pull the *Client Checklist* out of last year's DeFilippis Financial Group tax folder or download a copy from <http://www.defilippisfinancial.com/client-tax-forms-0>.
- ✓ Check off the documents as they arrive. Use the backside of the checklist to jot down former employers (W-2) or sold mutual funds (1099-B) so you remember to watch for these forms.
- ✓ Cross check all W-2s with your final pay stub(s) for the year to make sure you aren't missing any W-2s.
- ✓ Look at your prior year tax return and compare your current year information to make sure you haven't forgotten anything.
- ✓ If you sold or exchanged mutual funds you will receive form 1099B. Be sure to bring this form to your tax appointment.
- ✓ Check your credit report for accuracy.
- ✓ Check your Social Security Administration report for accuracy.

## 2016 Retirement Plan Contribution Limits

The contribution limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is unchanged from 2015 at \$18,000. The catch-up contribution limit for employees aged 50 and over remains the same at \$6,000.

Regular and Roth IRA contributions are unchanged from 2015 at \$5,500 for 2016. The catch-up contribution limit for IRAs remains the same at \$1,000.

The deduction for taxpayers making contributions to a Traditional IRA is phased out for singles and heads of household who are covered by a workplace retirement plan and have modified adjusted gross incomes (AGI) between \$61,000 and \$71,000, unchanged from 2015. For married couples filing jointly, in which the spouse who makes the IRA contributions is covered by a workplace retirement plan, the income phase-out range is \$98,000 to \$118,000, up from \$96,000 to \$116,000. For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$183,000 and \$193,000, up from \$181,000 and \$191,000.

The AGI phase-out range for taxpayers making contributions to a Roth IRA is \$184,000 to \$194,000 for married couples filing jointly, up from \$183,000 to \$193,000 in 2015. For singles and heads of household, the income phase-out range is \$117,000 to \$132,000, up from \$116,000 to \$131,000. For a married individual filing a separate return who is covered by a retirement plan at work, the phase out range remains \$0 to \$10,000

### “Do I have to fill out the Tax Return Appointment Questionnaire?”

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<sup>sm</sup> Tax Corner* tab under the subheading *Client Tax Forms*. Complete the *Tax Return Appointment Questionnaire* and bring it to your tax return appointment.

### If You Sold Real Estate, Look Out For Form 1099-S

If you sold real estate in 2015, 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.



**For Immediate Release**  
January 4, 2016

## **Fraud Prevention Measures to Delay Tax Refunds in 2016**

SPRINGFIELD – The Illinois Department of Revenue (IDOR) is announcing that they do not anticipate releasing Individual Income Tax refunds for the 2016 tax filing season until March 1, 2016. The decision comes as fraud prevention efforts from last year's tax season illustrate the positive impact that additional delays and scrutiny have had in combating tax return fraud and identity theft. IDOR is reminding taxpayers that filing tax returns electronically and requesting direct deposit into a checking or savings account is still the fastest way to receive a refund.

"Fraud prevention measures implemented by the Department of Revenue during last year's tax season resulted in an overall savings of nearly \$5 million that would have, otherwise, been paid," said Connie Beard, IDOR Director. "Our new security protocols proved very beneficial in detecting and stopping fraudulently filed returns last year, and we are continuing to enhance our fraud detection efforts this year. By delaying tax refunds by just a few weeks, we'll be able to better detect attempts at identity theft and ensure taxpayer refunds do not fall needlessly into the hands of criminals."

For electronic returns **filed prior to March 1, 2016**, IDOR anticipates refunds will be issued within **two to three weeks from the March 1, 2016 date**. For electronic *returns submitted error-free on or after March 1, 2016*, IDOR anticipates refunds will be issued *within two to three weeks from the date the return was submitted*.

Tax refunds are not subject to budgetary appropriation by the Illinois General Assembly and are, therefore, not impacted by the current budget impasse.

For the most up-to-date information, forms, schedules, and instructions for the 2016 Illinois Income Tax Filing season, please visit IDOR's website at: [tax.illinois.gov](http://tax.illinois.gov).



## Important Dates to Remember

*Estimated tax payments due*

Friday, January 15, 2016

*Deadline to confirm your tax appointment*

**Monday, January 18, 2016**

*Please drop off your trust tax return documents by*

Monday, February 29, 2016 -- The sooner the trust tax return is completed, the sooner we may begin working on your individual tax return!

*Corporate tax return filing deadline*

Tuesday, March 15, 2016

*Individual tax return filing deadline*

Monday, April 18, 2016

*Corporate tax extension paperwork due in our office*

Thursday, September 1, 2016

*Individual tax extension paperwork due in our office*

Friday, September 30, 2016

### Tax-related email:

[admin@defilippisfinancial.com](mailto:admin@defilippisfinancial.com)

### Investment-related email:

[defilippis@ceterafs.com](mailto:defilippis@ceterafs.com)



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## Say YES to accept Prepaid Audit Service!

Our **Prepaid Audit Service** is optional and available for an additional fee. This service, if selected, entitles you to free representation should the IRS or IDOR audit you. Although Steve is always available to represent you in an audit, he charges 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 Steve on your behalf for your 2015 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.

## Our Billing Policy

Thank you for being so supportive of our billing policy. To provide the best value, it is important for us to have a consistent billing policy that is the same for everyone.

In an effort to keep client fees down **we only accept cash or checks** made payable to ***DeFilippis Financial Group***. Our billing policy states that **all fees are due at the time of your appointment or when you pick up your completed tax return.**

We appreciate your continued cooperation.



Any advice in this communication is limited to the conclusions specifically set forth herein and is based on the completeness and accuracy of the stated facts, assumptions and/or representations included. In rendering our advice, we may consider tax authorities that are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of our advice. We will not update our advice for subsequent changes or modifications to the law and regulations, or to the judicial and administrative interpretations thereof.

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