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TAX ALERT July 2017

DFG In The News

[What Entrepreneurs Need to Know Before Filing Taxes](#)

from The Vista Press, April 2017

[Thumbs Up: The 10 Best States for High Earners](#)

Ashlea Ebeling, from Forbes, February 2017

[The Side Gig Tax Time Retirement Play](#)

Ashlea Ebeling, from Forbes, February 2017

Brilliant Deductions® Blog

[Taxpayers Deserve Respect in Illinois Budget Battle](#)

Stephen DeFilippis, March 2, 2017



Words of Wisdom

“If you don’t design your own life plan, chances are you’ll fall into someone else’s plan. And guess what they have planned for you? Not much.”

Author: Jim Rohn

Will Tax Reform Finally Be Enacted?

As we go to press, tax reform discussions are heating up in Washington, DC. Treasury Secretary Steven Mnuchin has promised that the most significant changes to the U.S. tax code since President Reagan would be passed by the end of this year. In late April, President Trump revealed a broad outline of his proposal:

2017 Tax Reform for Economic Growth and American Jobs

The Biggest Individual and Business Tax Cut in American History

Goals for Tax Reform

- Grow the economy and create millions of jobs
- Simplify our burdensome tax code
- Provide tax relief to American families—especially middle-income families
- Lower the business tax rate from one of the highest in the world to one of the lowest

Individual Reform

- Tax relief for American families, especially middle-income families:
 1. Reducing the 7 tax brackets to 3 tax brackets for 10%, 25% and 35%
 2. Doubling the standard deduction
 3. Providing tax relief for families with child and dependent care expenses
- Simplification:
 1. Eliminate targeted tax breaks that mainly benefit the wealthiest taxpayers.
 2. Protect the home ownership and charitable gift tax deductions.
 3. Repeal the Alternative Minimum Tax.
 4. Repeal the death tax.
 5. Repeal the 3.8% Obamacare tax that hits small businesses and investment income. (Continued on page 2)

Will Tax Reform Finally Be Enacted? (Continued from page 1)

Business Reform

- 15% business tax rate
- Territorial tax system to level the playing field for American companies
- One-time tax on trillions of dollars held overseas
- Eliminate tax breaks for special interests

A major challenge of tax reform is trying to offset the resulting reductions in revenue to the government. To address this, one idea being discussed in Congress is reducing tax benefits for retirement savings. This could involve further limiting the allowable contributions to 401(k)s, 403(b)s, IRAs and other retirement plans. Another possibility is a ban on all future contributions to traditional IRAs.

Tax legislation originates in the House Ways and Means Committee. The President's plan will be taken into consideration by the members of this Committee but the final plan may or may not contain all or some of the President's plan's provisions. Once the Ways and Means Committee agrees on a plan it would have to go to the full House for a vote and, if passed, to the Senate for their approval. Once that occurs it would be sent to the President for his signature or veto. As you can see, tax reform is a very complicated and arduous process. Stay tuned!

If You Work in Multiple States You'll Want to Read This

The House and Senate are currently working on proposals to provide a uniform federal standard that would bar states from taxing wages paid to nonresidents working in the state unless they worked there for more than 30 days. If you have received a W-2 with wages from working in multiple states you know how complicated and costly it can be to file multiple state income tax returns. This legislation would provide significant relief. If you support this legislation, I encourage you to write to your representatives in Washington, DC.

IRS to Look at Online Correspondence Examinations

The IRS has begun a pilot program involving online correspondence examinations. Up to 8,000 taxpayers who are under audit for itemized deductions discrepancies and some other issues will receive a written invitation to participate in this test program. These taxpayers and their tax professionals will be able to communicate with the IRS online, responding electronically to information requests and posting documents. This is one of many efforts underway to modernize the US tax system and the way the IRS conducts business.

IRS Continues to Expand Taxpayer Services; Adds New Features to Taxpayers Online Account

The Internal Revenue Service announced today the addition of several new features to the online account tool first introduced late last year as part of the IRS's commitment to improve and expand taxpayer services.

The [online account](#) allows individual taxpayers to access the latest information available about their federal tax account through a secure and convenient tool on IRS.gov. When it first launched in [December 2016](#), the tool assisted taxpayers with basic account inquiries such as information about their balance due and access to the various IRS payment options. Since then, the IRS has added new features allowing taxpayers to:

- View up to 18 months of tax payment history
- View payoff amounts and tax balance due for each tax year
- Obtain online transcripts of various Form 1040-series through Get Transcript
- Give feedback on their experience with their online account and make suggestions for improvements

“We are constantly looking for ways to improve taxpayers' interactions with the IRS and adding these new features to the taxpayer's online account is an important step in that direction,” said IRS Commissioner John Koskinen. “The IRS is committed to serving taxpayers in multiple ways and now taxpayers who want to interact digitally with us in a secure environment have access to even more helpful features.” (Continued on page 3)



Summer Office Hours

July 1st – August 31

Reception is available *Monday through Friday* from 9:30 AM to 3:30 PM.



Steve is available *Monday through Thursday* from 11:00 AM to 3:30 PM. Appointments needed before or after this time may be scheduled, if available.

Saturday: *By appointment, when available*

Sunday **CLOSED**



Holiday Office Closures

In observance of the holiday our office will be closed on the following dates:

Independence Day

Tuesday, July 4, 2017 CLOSED

Labor Day

Friday, September 1, 2017 CLOSED

Saturday, September 2, 2017 CLOSED

Sunday, September 3, 2017 CLOSED

Monday, September 4, 2017 CLOSED



IRS Continues to Expand Taxpayer Services (Continued from page 2)

Before accessing the tool, taxpayers must authenticate their identities through the rigorous Secure Access process. This is a two-step authentication process, which means returning users must have their credentials (username and password) plus a security code sent as a text to their mobile phones.

Taxpayers who have registered using Secure Access for Get Transcript Online or Get an IP PIN may use their same username and password. To register for the first time, taxpayers must have their personal and financial information including: Social Security number, specific financial information, such as a credit card number or loan numbers, email address and a text-enabled mobile phone in the user's name. Taxpayers may review the [Secure Access](#) process prior to starting registration.

As part of the security process to authenticate taxpayers, the IRS will send verification, activation or security codes via email and text. The IRS warns taxpayers that it will not initiate contact via text or email asking for log-in information or personal data. The IRS texts and emails will only contain one-time codes.

In addition to the online account, the IRS continues to provide several self-service [tools](#) and helpful resources available on IRS.gov for individuals, businesses and tax professionals.



2017 Standard Mileage Rates

Beginning on Jan. 1, 2017, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- ◆ \$0.535 per mile for business miles driven
- ◆ \$0.17 per mile driven for medical purposes
- ◆ \$0.17 per mile driven for moving purposes
- ◆ \$0.14 per mile driven in service of charitable organizations

Tired of logging your mileage in a traditional, manual log book? You might want to try MileIQ. MileIQ is an app that works in the background. No buttons to press to start or stop. **Your miles are automatically logged and recorded creating a complete record** of all your tax deductible and reimbursable mileage. For more information go to <https://www.mileiq.com/>. Please note: I have not used this product, am not endorsing it and will receive no compensation from MileIQ should you decide to use it. I am simply educating you about this product's availability.

Joke of the Month

“Tomorrow is the day to mail in your tax return which means tonight is the night to start making fake receipts.”

Author: Jimmy Kimmel

Trivia Question

The more there is of it, the less you see.
What is it?

The answer is: the dark

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**Important Dates to Remember**

Individual estimated tax payments due

Friday, September 15, 2017

Monday, January 15, 2018



*Corporate tax extension paperwork
due in our office*

Friday, September 1, 2017



Corporate tax return filing deadline

Friday, September 15, 2017



Individual tax extension paperwork due in our office

Friday, September 29, 2017



Individual tax return filing deadline

Monday, October 16, 2017



Final deadline to confirm your tax appointment

Monday, January 15, 2018

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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