

TAX ALERT July 2014

Organizational Tips

Did you make a promise to yourself to be more organized next tax season? Here are a few suggestions to get you started:



✓ Label a folder or hanging file *Taxes*. As you collect your tax documents place them in the file or folder.

✓ Pull the Client Checklist out of last year's

DeFilippis Financial Group tax folder or download a copy from www.defilippisfinancial.com.

✓ 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.

✓ As a final check, look at the supporting documents in last year's *DeFilippis Financial Group* tax folder and compare them with the forms you received for the current tax year.

Send us your tips and tricks for our December newsletter!



MOVING?

Call our office at 630-668-3030 to update all your contact information. Don't forget to notify us whenever you change your email provider as well.

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

Spouse: The IRS and state taxing authorities will NOT allow you to sign for your spouse. Prior to April 1st, you may pay fees and pick up the e-file forms to be signed by your spouse. As always, we will be happy to schedule a separate pickup appointment time for you and your spouse.

Child: You may sign for a minor child, if the child is under age 21. Children that are 21 or older must sign their own tax forms.

Parent: If you have a valid power of attorney, you may sign for a parent.

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 my office. When you contact my office to request a copy I must generate a new copy for you. 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.

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 my 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, I must obtain your written authorization prior to releasing information to your broker, lender or any other third party.

To provide me with the required written authorization, please print the *Consent to Disclose Tax Return Information to a Third Party* PDF document (non-fillable) located on my website under the Brilliant DeductionsSM Tax Corner tab www.defilippisfinancial.com/client-tax-forms-0. Complete and sign the form and mail with the required fee(s) to my office. Upon receipt, I will disclose the information you have requested to the third party. Please note that I must have an actual signed copy in my office before any tax information can be released.

Don't Fall for Phony IRS Websites

The address of the official IRS website is www.irs.gov. Don't be misled by sites claiming to be the IRS but ending in .com, .net, .org or other designations instead of .gov.

If you find a suspicious website that claims to be the IRS, please send the site's URL by email to phishing@irs.gov, using the subject line: suspicious website.

New Email Phishing Scam

The IRS has been alerted to a new email phishing scam. The emails appear to be from the IRS Taxpayer Advocate Service and include a bogus case number and the following message:

"Your reported 2013 income is flagged for review due to a document processing error. Your case has been forwarded to the Taxpayer Advocate Service for resolution assistance. To avoid delays processing your 2013 filing contact the Taxpayer Advocate Service for resolution assistance."

The recipient is directed to click on links that supposedly provide information about the "advocate" assigned to their case or that let them "review reported income." The links lead to web pages that solicit personal information.

Taxpayers who get these messages should not respond to the email or click on the links. Instead, they should forward the scam emails to the IRS at phishing@irs.gov. For more information, visit the IRS's [Report Phishing](#) web page.

The Taxpayer Advocate Service is a legitimate IRS organization that helps taxpayers resolve federal tax issues that have not been resolved through the normal IRS channels. The IRS, including TAS, does not initiate contact with taxpayers by email, texting or any social media.

Please note that the IRS does not initiate contact with taxpayers by email to request personal or financial information. This includes any type of electronic communication, such as text messages and social media channels.

- If you get an unsolicited email that appears to be from the IRS, please report it by sending it to phishing@irs.gov.



IRS Reiterates Warning of Pervasive Telephone Scam

The Internal Revenue Service issued another strong warning for consumers to guard against sophisticated and aggressive phone scams targeting taxpayers, including recent immigrants, as reported incidents of this crime continue to rise nationwide. These scams won't likely end with the filing season so the IRS urges everyone to remain on guard.

The IRS will always send taxpayers a written notification of any tax due via the U.S. mail. The IRS never asks for credit card, debit card or prepaid card information over the telephone. For more information or to report a scam, go to www.irs.gov and type "scam" in the search box.

The IRS warns consumers about a [sophisticated phone scam](#) targeting taxpayers, including recent immigrants, throughout the country. Victims are told they owe money to the IRS and it must be paid promptly through a pre-loaded debit card or wire transfer. If the victim refuses to cooperate, they are then threatened with arrest, deportation or suspension of a business or driver's license. Callers are frequently insulting or hostile - apparently to scare their potential victims.

Potential victims may be told they are entitled to big refunds, or that they owe money that must be paid immediately to the IRS. When unsuccessful the first time, sometimes phone scammers call back trying a new strategy.

Characteristics of this scam include:

- Scammers use fake names and IRS badge numbers. They generally use common names and surnames to identify themselves.
- Scammers may be able to recite the last four digits of a victim's Social Security Number.
- Scammers spoof the IRS toll-free number on caller ID to make it appear that it's the IRS calling.
- Scammers sometimes send bogus IRS emails to some victims to support their bogus calls.
- Victims hear background noise of other calls being conducted to mimic a call site.
- After threatening victims with jail time or driver's license revocation, scammers hang up and others soon call back pretending to be from the local police or DMV, and the caller ID supports their claim.

If you know you owe taxes or you think you might owe taxes, call the IRS at 1-800-829-1040.

If you know you don't owe taxes or have no reason to think that you owe any taxes (for example, you've never received a bill or the caller made some bogus threats as described above), call and report the incident to the [Treasury Inspector General for Tax Administration](#) at 1-800-366-4484.

If you've been targeted by this scam, you should also contact the Federal Trade Commission and use their "FTC Complaint Assistant" at FTC.gov. Please add "IRS Telephone Scam" to the comments of your complaint.



Important Dates to Remember

Estimated tax payments due

Monday, September 15, 2014

Thursday, January 15, 2015

Corporate tax extension deadline

Monday, September 15, 2014

Individual tax extension deadline

October 15, 2014

Deadline to confirm your tax appointment with Steve

Thursday, January 15, 2015

Please drop off your trust tax return documents by

March 1, 2015 -- The sooner the trust tax return is completed, the sooner I may begin your individual tax return!

DFG In The News

“Do you know how much you can pull out of your Roth Individual Retirement Account tax-free and penalty-free before retirement? Hint: it’s not the full balance.” Read [The Roth IRA Mistake by Ashlea Ebeling, from Forbes.](#)

Tax-related email:

admin@defilippisfinancial.com

Investment-related email:

defilippis@ceterafs.com



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Filing an Extension

Definition of *extension* (n): An additional period of time allowed for completion of work or payment of a debt.

While most people have heard of an extension very few know exactly what is needed to file an extension. Many people become overwhelmed by the tax filing process and/or put off filing or want to delay paying their tax liability. “I thought I could just call your office to file an extension!”

It’s not quite that easy. I must submit paperwork with estimated figures to the IRS by April 15th. Extensions that are filed based upon inaccurate estimates can be ruled invalid by the IRS. In addition, any unpaid tax beyond the filing deadline will be subject to late payment penalties and interest. Consequently, I need as much information as possible to accurately estimate your tax liability in order to minimize any potential penalties and interest.

Remember, an extension is an extension of the time to file. It is NOT an extension of the time to pay.

“Do you accept credit or debit cards?”

In an effort to keep client fees down I 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.

Quite simply, it’s just too costly to provide this service. I will continue to look for low cost merchant services in the future. Until then, I appreciate your cooperation.

Sincerely,

Stephen W. DeFilippis, EA

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