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Barker Business Services

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2022 Tax Season Newsletter

OUR STORY. Bruce Sr. graduated with a BS degree majoring in accounting from the University of Maine in 1962 and the University of Wisconsin Graduate School of Banking in 1976. He was employed by the State of Maine as a bank examiner (think of Mr. Carter played by Charles Halton in It's a Wonderful Life) for 14 years, and has been the office manager for two General Motors dealerships, A&S Motors and Clay GMC. During this time, he also prepared tax returns part time as what today would be called a side-gig. Initially he worked for Reggie Clay, who I believe had an office supply store where Pat Locke's office is located today. Bruce Sr. spent many late hours working with clients at his kitchen table in his Lee Street home back then! At one time a small office was located upstairs in the home, and then moved to the foyer by the front porch. In 1989 Bruce and Emmy took the tax business full time, remodeling the basement into an office with its own entrance. It was known then as Triple Check (a franchise) Tax and Business Services. In 1998 Bruce Sr. passed the Enrolled Agent exam, and since then has been enrolled to practice before the IRS for tax payers needing representation (tax court, offers-in-compromise, etc.). The business steadily grew, providing tax and payroll services to the area. A few years before I left the Air Force, Dad asked me if I had an interest in the business, as he was at the point of needing to take on a partner, or hold the growth until I could join him.

In the fall of 2001 I (Bruce Jr.) joined the business, following a 20 year US Air Force career. At that time the business went fully independent (no franchise) as Barker Business Services. Prior to my retiring, I prepared tax returns for military members and retirees at both KI Sawyer AFB, MI and Dyess AFB, TX as an IRS VITA volunteer. I have graduated from the Community College of the Air Force with an associate's degree, passed the IRS Registered Tax Return Preparer exam in 2012, and annually complete all training to be recognized by the IRS as participating in the IRS Annual Filing Season Program.

In 2005 Denyse joined us and started processing payroll. Today she is here beside me as she handles the phone, manages appointments, takes care of our payroll clients, and prepares sales tax returns.

In 2015 Bruce Sr and Emmy sold their home of nearly 50 years to downsize. On December 7th, 2015 we moved to our current location, upstairs (instead of the basement, hey, we have windows and can see the sky!) over Modern Woodmen of America, at 211 Enfield Road, still in Lincoln.

With over 40 years accounting, banking, payroll and income tax preparation experience the Barkers have been serving clients in the greater Lincoln area since 1976.

VISIT OUR FACEBOOK and internet pages at **facebook.com/BarkerBusinessServices** and **barkertax.com**. Please "LIKE" and "FOLLOW" us and give us a positive review while you are there.

A REFERRAL is one of the best things you could do for us! Tell your family and friends about us today.

OUR OFFICE HOURS. January, Mon – Fri 9 to 5. February to Apr 15th, add Mon, Tue and Thur eve's until 9 or so, and Sat 9 to 3. April 16th through Dec, Mon to Wed 9 to 5, and Thur 9 to noon. And office hours are not fixed in stone, so we may not be here during listed hours, and we may be here outside of them. Our answering machine is always on and if you leave a message, we will call you back. You may also email us.

AND THE PANDEMIC CONTINUES. WHAT WE ARE DOING. We're OPEN. We'll do our best to limit clients to just one at a time in our office, so please call ahead for an appointment. If you do just stop by and someone is already here, you can leave your paperwork, and we will call you to interview over the phone. If you do not wish to come in, we can meet you in the parking lot to receive your paperwork, and call you later if we need to review it with you. You may also mail, email or fax to us. We can make similar arrangements at signing time. We have hand sanitizer, gloves and masks available should you want them.

DID YOU OWE THE IRS LAST YEAR? Update your W-4 with your employer so you won't owe next year. The IRS advises taxpayers to use the Tax Withholding Estimator tool to check their withholding and help with completing the W-4. Here's the link. **irs.gov/individuals/tax-withholding-estimator**. If we do your taxes, you may also see us outside of tax prep season for a withholding review.

WE ARE MEMBERS of the National Association of Tax Professionals (and ME chapter), National Society of Tax Professionals, National Association of Enrolled Agents (and ME chapter), National Society of Accountants (and ME chapter), National Institute of Professional Bookkeepers, Lincoln Lakes Region Chamber of Commerce, and the Lincoln Business Referral Group.

IN ORDER TO STAY CURRENT and better serve our clients, we attend many hours of tax training each year. This year's training consisted of a virtual 1 day Tax Practitioner Institute, virtual 2 day Maine Tax Forum, and an in person 2 day National Association of Tax Professionals Tax Update seminar, as well as many telephone forums and webinars hosted by various agencies and associations throughout the year. These training events cover many facets of Federal and Maine tax law as well as current changes.

MILITARY RETIREES & SOCIAL SECURITY recipients will receive a 5.9% cost of living adjustment in 2022. This is up from last year's 1.3% increase, and the largest since the 7.4% increase in 1983.

IMPORTANT FILING DATES.
All dates are for calendar year filers.

1/31/2022	W-2 and 1099-NEC due date
3/15/2022	1065 & 1120-S due date.
3/31/2022	1099-MISC e-file due date
4/15/2022	1040, 1120 & 1041 due date.
5/16/2022	Non-Profit 990N due date.
6/1/2022	ME Annual Rpt. Due (Corp & LLC)
9/15/2022	Extended 1065 & 1120-S due date.
9/30/2022	Extended 1041 due date.
10/17/2022	Extended 1040 & 1120 due date.

WHAT IF I GET AN EXTENSION? It is important to know that it is only an extension for time to file. You must estimate the amount of tax you will owe and pay it before the original due date to avoid late payment penalties. If you are on extension, and file your tax returns after the extended due date, late filing penalties and interest can be accessed back to the original date due, as if you did not have an extension.

To keep the penalties for failure to file and late filing at bay, file your tax returns (forms) on time, even if you cannot pay with the return, and plan to pay later.

ORGANIZE NOW. If you would like us to send you a tax organizer to help you get ready for tax time, call us at 794-8563, or email us at **brucejr@barkertax.com**.

EIP (ECONOMIC IMPACT PAYMENT) 3 also known as the STIMULUS PAYMENT 3 started being issued in March 2021 for $1,400 per qualifying taxpayer and dependent. You will need to know how much you received when your 2021 tax return is prepared. Just like the first 2 payments, this is not taxable, but is an early payment on a tax credit and must be reconciled when you file your taxes. You did, or will, or should have received a notice 1444-C from the IRS telling you the total amount of payment you received. You should give us this letter along with your other tax papers during your tax appointment. If you didn't keep the letter you can just tell us how much you received. Reporting an incorrect amount will impede and delay your tax return processing at the IRS.

ADVANCE CHILD TAX CREDIT PAYMENTS. If you received these in 2021 (started in July 2021) we will need to know the total you received in 2021 when we prepare your tax returns. This money isn't taxable but is an advance on your 2021 Child Tax Credit. To get the proper amount of remaining credit when you file your taxes, we must know the amount you received in advance. Reporting an incorrect advance amount will impede and delay the processing of your tax return with the IRS. In January 2022 you will receive a Letter 6419 from the IRS reporting to you the total amount of advance credit they sent you. Hang on to and then give us this letter with your other tax paperwork at your tax appointment.

WE PROVIDE PAYROLL SERVICES. You give us your employee hours worked each period and we'll prepare your signed or unsigned payroll checks, employee direct deposits, or detailed pay-stubs for you to attach your own check to. We can accommodate all calculations and deductions such as tips, child support, and retirement plan withholding, as well as vacation and sick time accrual if needed. We prepare all quarterly and year-end payroll tax returns as well as 1099NEC forms for payments to independent contractors.

CONTACTING US. Call the business phone at 794-8563, and leave a message on the machine if no one answers. Email Bruce Barker Jr at **brucejr@barkertax.com** or call or text at 290-1293. Bruce Barker Sr may be emailed at **brucesr@barkertax.com** or called or texted at 290-4126. If it's a payroll related matter, email **payroll@barkertax.com**. You are important to us and we don't want to miss your call, text or message. We do return all calls and will get back to you!

"HELP, I RECEIVED A NOTICE from the IRS." If this happens to you, call us immediately. We want to assist you in all correspondence with the IRS or Maine Revenue.

TAX FRAUD REPORTING. If you suspect or know of an individual or company that is not complying with the tax laws, you may report this activity by completing Form 3949-A (available at irs.gov). File Form 211 to receive a reward if applicable. Maine tax violations can be reported at **maine.gov/revenue/taxes/compliance/tax-violation-hotline**, or by email to **mrs.taxtip@maine.gov**, or by calling 207-624-9600. You can remain anonymous.

DIRECT DEPOSIT AND DIRECT DEBIT. 2021 wasn't a great year to send checks to the IRS by mail. You can use direct deposit for refunds and direct debit for amounts due to avoid delayed or lost mail. If you use direct debit you can choose the date of payment up to the due date, normally April 15th for a 1040 amount due.

RETURNS WE PREPARE include 1040 personal income tax returns, sole proprietor returns, landlord and rental income returns, farm returns, partnership returns, corporate income tax returns, and also amended returns, prior year returns, and extensions of time to file.

LAST YEAR'S FILING SEASON was interesting to say the least. The government started tax filing season three weeks later than normal. They then changed the rules in March to make a sizeable amount of unemployment tax free and eliminating the ACA (affordable care act or Obamacare) credit repayment provision. These changes impacted some of our "early filer" clients who filed with unemployment and ACA Premium Tax Credit repayment prior to the rule change. We made a list and tracked each client, verifying the IRS made the correct changes, and filing amended state returns as needed. We anticipate that this year's tax season will start on time and go smoothly, but like last year, we'll roll with it if it doesn't.

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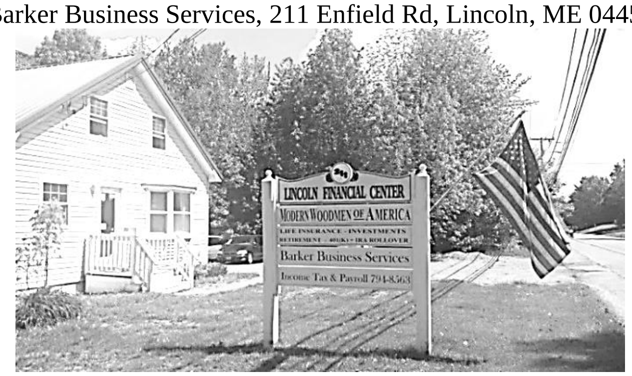

A REFERRAL is one of the best things you could do for us! Please recommend us to your friends and family.

Helping Take the Bite out of Taxes!