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## 2016 Tax Season Newsletter

# WE'RE MOVING!



**OUR OFFICE HAS MOVED!** Bruce Sr and Emmy have downsized and moved. They are still in Lincoln, but now live at Mattanawcook Terrace apartment 4, with a new address of 1 Village Circle, Apt 4. Bruce Sr has not stopped working. He just has a bit further to travel each day, having to drive up the road instead of simply walking down the stairs. The office has moved from its historical address of 29 Lee Rd, to the second floor of the Lincoln Financial Center, located at 211 Enfield Rd, Lincoln. Although our offices occupy the second floor we can meet with you in the first floor conference room.

**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, National Association for the Self Employed, Lincoln Lakes Region Chamber of Commerce, and the Lincoln Business Referral Group.

“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. If it concerns a return we prepared there is usually no extra charge for this service.

**ACA / OBAMACARE** open enrollment started on Nov 1, 2015 and ends Jan 31, 2016. If you are self employed as a sole proprietor, corporate shareholder, or partner, use caution when estimating your income to determine ACA premium tax credit subsidy to lower your insurance cost. Many taxpayers estimated too low last year, resulting in some cases of up to \$7,000 or \$8,000 in additional taxes due with their 1040 tax return, caused by having to repay advance premium tax credits taken to reduce their insurance cost.

**THE ACA PENALTY** for not having health insurance this year has increased to \$325 per adult or 2% of household income, whichever is higher. This is up from \$95 and 1% last year. Next year (2016) the penalty will be \$695 per adult.

**MORE ON THE ACA.** Individuals within 100% to 400% of the federal poverty line, who do not have affordable minimum value employer coverage qualify for a premium tax credit through the exchange, UNLESS the individual is the spouse or dependent of an employee with affordable employer coverage and is affected by what's known as the ACA Family Glitch. Congress was expected to patch this, but has failed to do so, leaving many spouses and dependents ineligible for premium tax credits and unable to afford health insurance.

**GOOD NEWS / BAD NEWS.** The cost of fuel oil and gasoline is down compared to last year, but social security recipients & military retirees will receive no cost of living adjustment in 2016.

RETURNS WE PREPARE include EZ, short and long form 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, and extensions to time to file.

TAX FRAUD HOTLINE. If you suspect or know of an individual or company that is not complying with the tax laws, you may report this activity by calling the IRS at 1-800-829-0433, or report on Form 3949-A (available at [irs.gov](http://irs.gov)). File Form 211 to receive a reward if applicable. Maine tax violations can be reported by email to [MRS.TAXTIP@maine.gov](mailto:MRS.TAXTIP@maine.gov), or by calling 207-624-9600. The caller can remain anonymous.

STEPS FOR IDENTITY THEFT VICTIMS. If you are a victim of ID theft, the Federal Trade Commission (FTC) recommends you (1) File a police report, (2) File a complaint with the FTC, (3) Contact one of the credit bureaus to place a “fraud alert,” and (4) Close any financial accounts opened without your permission. For tax related victims the IRS requires that you (1) Complete Form 14039 Identity Theft Affidavit, (2) Respond immediately to any IRS letters or notices, and (3) Continue to file and pay taxes, even if by paper (vs. e-file).

MAINE CHANGES COMING IN 2016. The Maine EIC (earned income credit) and the Maine Sales Tax Fairness Credit both become refundable. So if your income has been below the filing threshold in the past, you may want to file if you are eligible for these credits. Also starting in 2016 military retirement income will be totally exempt from Maine income tax. In 2015 the new sales tax rates did not return to their previous lower levels, and in 2016 more foods will be subject to Maine sales tax, which is why we now have the Maine Sales Tax Fairness Credit.

\$100 WINNER! Last year’s winner of our drawing was Dan & Mary Ann Rideout of Medway. This year all completed 2015 income tax return clients will be entered and the \$100 winner will be drawn at 5 pm on Tuesday, April 19, 2016.

A REFERRAL is one of the best things you could give us! Tell your friends about us today.

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 1099MISC forms for payments to independent contractors.

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 one day Tax Practitioner Institute, a two day National Association of Tax Professionals (NATP) 1040 Workshop, a one day NATP tax seminar, a two day Maine Tax Forum, and a two day Maine Association of Professional Accountants “Gear Up” tax 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.

CONTACTING US. You may reach us many ways. Contacting any of us through personal Facebook messaging has worked for many of you. Although it may work, it’s the least preferred method since it is the least monitored. You may always call the business phone at 794-8563, and can leave a message on the machine if no one answers. This number will not be changing with our move. You also may email me (Bruce Barker Jr) at [taxman2@barkertax.com](mailto:taxman2@barkertax.com) or call or text me at 290-1293. Dad (Bruce Barker Sr) may be emailed at [taxman@barkertax.com](mailto:taxman@barkertax.com) or called or texted at 290-4126. Our customers are important to us and we don’t want to miss your call, text or message.

VISIT US ON THE World-Wide-Web at [www.barkertax.com](http://www.barkertax.com) and also our Facebook page [www.facebook.com/BarkerBusinessServices](http://www.facebook.com/BarkerBusinessServices). Don’t forget to “like” us while you are there.

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 [taxman2@barkertax.com](mailto:taxman2@barkertax.com).

*Helping Take the Bite out of Taxes!*