

SCHULTZ & MOLEPSKE, LLC

Certified Public Accounting Firm

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TAX SEASON OFFICE HOURS

By appointment or

Monday - Friday
8:00 a.m. - 5:00 p.m.

Saturday
9:00 a.m. - 2:00 p.m.
(beginning Feb. 6, 2016)

IMPORTANT DATES

01/15/16

4th quarter 2015 federal & state individual estimated tax payments due

02/01/16

Forms W-2 and 1099 to recipients due

03/01/16

Personal Property Statement due

03/15/16

"C" & "S" corporate income tax returns due

04/18/16

Individual, Partnership & Fiduciary income tax returns due

1st quarter 2016 federal & state individual estimated tax payments due

06/15/16

2nd quarter 2016 federal & state individual estimated tax payments due

09/15/16

3rd quarter 2016 federal & state individual estimated tax payments due

01/16/17

4th quarter 2016 federal & state individual estimated tax payments due

Taxing Solutions

A periodic newsletter for the clients and friends of Schultz & Molepske, LLC

Winter 2016

FROM SCOTT'S DESK



Cheers to a happy and prosperous 2016 year! Hope you have been blessed with good health, good friends, and good times! As always, we look forward to seeing you this upcoming tax season.

We, along with every accounting firm we know, have seen a substantial increase in identity theft and scams targeting taxpayers.

This past year, we've had several clients receive calls purportedly from the IRS where they were told they owed money to the IRS

and the police were coming soon to arrest them if they didn't pay right then. We've had numerous clients inform us about phone calls and emails they received supposedly from the IRS asking for personal information. We've also had several cases of identity theft where we tried to e-file a tax return only to get it rejected because someone else had already filed with that social security number.

Unfortunately we don't foresee any magic cure coming in the near future. Please be aware of the scams that proliferate this time of year and don't become a victim. Below are some basic ways to help protect you from these scams.

Scott

TIPS TO PROTECT YOU FROM.....IDENTITY THEFT

- ◇ Don't carry your Social Security card or any documents that include your Social Security number (SSN).
- ◇ Don't give a business your SSN just because they ask. Give it only when required.
- ◇ Protect your financial information.
- ◇ Check your credit report every 12 months.
- ◇ Review your Social Security Administration earnings statement annually.
- ◇ Secure your personal information in your home.
- ◇ Protect your personal computers by using firewalls and anti-spam/virus software, updating security patches and changing passwords for Internet accounts.
- ◇ Don't give personal information over the phone, through the mail, or on the Internet unless you have initiated the contact or you are sure you know who you are dealing with.

.....PHISHING SCAMS

- ◇ Avoid suspicious emails that appear to be from the IRS or other companies; do not click on the links—go directly to their websites instead.
- ◇ Beware of emails asking you to update or verify your accounts.
- ◇ Don't open attachments in emails unless you know who sent it and what it contains.
- ◇ Download and install software only from websites you know and trust.
- ◇ Use security software to block pop-up ads, which can contain viruses.
- ◇ Ensure your family understands safe online and computer habits.

.....IRS TELEPHONE SCAMS

- ◇ Know that the IRS will NEVER call to demand immediate payment.
- ◇ Know that the IRS will NEVER require you to use a specific payment method such as a prepaid debit card.
- ◇ Know that the IRS will NEVER ask for a credit or debit card number over the phone.
- ◇ Know that the IRS will NEVER threaten to bring in local police or other law-enforcement groups to have you arrested for not paying.

Unfortunately, even with taking all the precautions above, you can still become a victim. If you have any concerns about a phone call, email, text, or any other correspondence, please call us and we can help you make sense of it! If you are a victim of identity theft we can help you through the process of what needs to be done.

PROTECTING AMERICANS FROM TAX HIKES ACT OF 2015

In December, the President signed the "Protecting Americans from Tax Hikes Act of 2015" (PATH). This law **PERMANENTLY** extends some tax incentives including:

- American Opportunity Tax Credit
- Educator Expense Deduction
- State and Local Sales Tax Deduction
- IRA Distributions to Charity (QCD's)
- Child Tax Credit
- Enhanced Section 179 Expensing
- Research Tax Credit

This law also extends other tax incentives for several years including:

- Tuition and Fees Deduction through 2016
- Energy Incentives through 2016
- Mortgage Insurance Premium Deduction through 2016
- Bonus Depreciation through 2019
- Work Opportunity Tax Credit (WOTC) through 2019

TAX SEASON INFORMATION

- Please use our **PO Box** rather than our street address when mailing anything to our office:
 Schultz & Molepske, LLC
 PO Box 72016
 Cedarburg, WI 53012
- Bring us your **signed engagement letter** (mandatory for us to complete your returns), your filled out **tax information sheet**, and all **supporting documentation**. If you would like to meet with us to go over your information, call us at 262-376-2100 to schedule an appointment.
- Every year we will need to know your **health insurance** situation. If you have health insurance from the Marketplace (Obamacare) you must bring in form 1095-A. If through an employer or an individual policy not through the Marketplace you MAY be receiving either form 1095-B or 1095-C which you need to bring us. If you don't receive any forms, bring your insurance card as proof of insurance. If you do not have health insurance, we will need to determine if you are eligible for an exemption from the "Shared Responsibility Payment". Expect us to ask about your health insurance!

UPCOMING FOR 2016

Social Security wage base will remain at \$118,500.

Traditional and ROTH IRA contribution limits will remain at \$5,500 \$6,500 if age 50 or older.

401(k) and 403(b) contribution limits will remain at \$18,000 \$24,000 if age 50 or older.

Simple plan contribution limits will remain at \$12,500 \$15,500 if age 50 or older.

Maximum HSA contribution will be \$3,350 Individual; \$6,750 Family; \$1,000 Catch-up for 55 or older.

Standard Mileage Rate for business miles will decrease to 54 cents.

Gift Exclusion will stay the same at \$14,000.

2015 & 2016 MILEAGE RATES

	<u>2015</u>	<u>2016</u>
Business	57.5 cents	54 cents
Medical	23 cents	19 cents
Moving	23 cents	19 cents
Charitable	14 cents	14 cents

CLIENT REFERRALS

We are always looking for new clients and the best ones come from you. We appreciate your recommendation and confidence in us!