

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

Yearend 2015

FROM SCOTT'S DESK



Thank you to to all our clients—we value you and hope you like our services! I couldn't do what I do without the great employees we have here at Schultz & Molepske. I'd

like to thank Lisa Nevsimal who is basically the face of our office. She greets everyone, answers the phones, and is our Quickbooks guru. If she doesn't know how to do it, no one does! Karyn Poehlmann, Mark Dunne, and Mike Wifler are our support staff during busy

season and part-time when needed the rest of the year. They input data, copy, file, and anything else that needs to be done. Sarah, my wife, does mainly individual returns, supervises the staff, and keeps me in line! We are blessed with wonderful employees who provide value to our firm and our clients.

So from our family to yours —
A Very Merry Christmas!

Scott

THIS AND THAT!

- ⇒ If you receive correspondence from the IRS or Wisconsin Department of Revenue, contact us immediately. The key is to respond in a timely basis!
- ⇒ Wisconsin may be asking you to complete an Identification Quiz before sending you a refund. If you receive a letter and you don't complete it, you won't get your refund. In 2015, Wisconsin sent out over 226,000 letters to take the ID quiz or supply ID verification documents. This is just one of the steps Wisconsin is taking to stop fraudulent refunds from being issued.
- ⇒ If you try to contact the IRS, be prepared to wait! The IRS is dealing with continued budget cuts and their service has proved frustrating for both the taxpayer and us as we try to resolve problems over the phone or through written communication!
- ⇒ Identity theft and telephone scams continue to be a problem for the IRS and taxpayers. Be aware of the scams that proliferate during the year. The IRS will only initiate contact to you through regular mail—never through email, text, social media, or phone—unless they've had prior contact with you before. If in doubt, contact us!
- ⇒ If you have health insurance, you will need to bring us either Form 1095-A, 1095-B, or 1095-C in order to complete your tax return. If your health insurance is through the marketplace (exchange), you will receive Form 1095-A. If your health insurance is through an employer, purchased outside the marketplace, or through a government program you should receive either Form 1095-B or Form 1095-C. Look for these new forms that should be mailed in early 2016.
- ⇒ Congress has again let many tax extenders expire as of December 31, 2014 including the \$100,000 qualified charitable distribution from retirement plans; \$250 teacher deduction; \$500,000 Section 179 expensing limit; 50% bonus depreciation, and many more. It is anticipated that in December, Congress will extend some, if not all, of these retroactive to January 1, 2015. We will keep you up-to-date on the progress of these popular tax deductions.

WISCONSIN NEWS—COLLEGE SAVINGS ACCOUNTS

Edvest and Tomorrow's Scholar: Wisconsin provides a subtraction from income for contributions into one of these two college savings accounts. Several changes have been enacted regarding the subtraction.

- ⇒ Maximum subtraction per beneficiary is **\$3,100** in 2015 (\$1,550 if married filing separate or a divorced parent). For example, if you contribute \$3,100 in 2015 to each of your 3 children's accounts you can claim a subtraction in 2015 for \$9,300.
- ⇒ Contribution deadline has been extended from December 31 to April 15 of the following year. For example, you have until April 15, 2016 to make contributions for the 2015 year. For contributions made from January 1 to April 15, you must identify them as previous year contributions if that is your intent, otherwise they will be considered current year contributions.
- ⇒ The excess of the amount contributed over the amount allowed as a subtraction may be **carried forward** to future years and claimed as a subtraction subject to the yearly limitations. For example, if you contribute \$5,000 into your child's account in 2015, you may claim \$3,100 in 2015 and the remainder of \$1,900 in 2016.
- ⇒ The owner of an Edvest or Tomorrow's Scholar account OR any person the owner authorizes (including grandparents, relatives, friends, etc.) may make contributions to the account and claim the Wisconsin subtraction.

MAILING INFORMATION

- ⇒ For safety purposes, please use our PO Box rather than our street address when mailing anything to our office.

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- ⇒ If mailing tax information, you may want to scan or make a copy of what you send us. Unfortunately, items can get lost in the mail, although it rarely happens. This past year we had a client mail us their information in March and we received it delivered to us in June—well after they had already reconstructed everything they had mailed to us!

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.

Gift Exclusion will remain at \$14,000.

Standard Mileage Rate for business miles has yet to be determined.

2015 & 2016 MILEAGE RATES

| | <u>2015</u> | <u>2016</u> |
|------------|-------------|-------------|
| Business | 57.5 cents | xxx cents |
| Medical | 23 cents | xxx cents |
| Moving | 23 cents | xxx cents |
| Charitable | 14 cents | xxx cents |

CLIENT REFERRALS

New clients are always welcomed! We appreciate your kind referrals and thank you for your confidence in us!