



**BARMAR, Inc.**  
1655 South 25<sup>th</sup> Street  
Lincoln, NE 68502

402-477-3822

Fax: 1-866-344-3032

[burrbusiness@windstream.net](mailto:burrbusiness@windstream.net)

**\*\* For updates follow us on Facebook, Search under Burr Business Service \*\***

It is hard to believe it's that time of year again to update you of recent changes both with tax laws and within our office. It is with a heavy heart to announce after many years at Burr Business Service Connie Swenson is retiring. We thank her for all of her years of service and wish her nothing but the best. Connie you will be deeply missed.

*There is a lot of information listed below; we are hoping you take the time to read it all as we feel it is very valuable that our clients be well informed of any and all changes that could possibly impact their tax return.*

**New Website:** We are excited about our new website, we have extensively updated it to include the ability to make your own appointments, fill out forms on line or download them and bring with you to your appointment, plus lots of other valuable information. You can also send us your information through a secure encrypted portal, we will send you a link, just ask us. We are trying to make your experience with Burr Business Service more efficient with all of these changes. Please check out the new website, we welcome your feedback. We want to inform you this will be the last year for mailing out the end of the year newsletter, next year we will email all of the information to you, and or provide everything on our website; please make sure we have your current email address.

**Security and Identity Theft:** The IRS has determined one of the prime targets of data theft is tax preparation companies. We have been taking extreme security measures designed to improve the protection of our firm and your confidential data. One of the mandatory changes we are implementing immediately is our new "no click" policy combined with a new information transfer policy. Because so many electronic intruders get in via email attachments, our firm has instituted the national tax professional security advisor's recommendations and implemented this email policy. This means we will not open any documents you have sent us via email. There are 4 ways we will accept data from you, mail, bring to office, fax or our secure portals through Dropbox or ShareFile.

**E-Signature:** We are offering you the ability to sign your return when it is completed through our new e-signature app, a time saver if you are not able to make a second trip to our office.

**Tax Return Copies:** Once your fee for your tax return is paid you can request to have us send you a PDF copy through our secure portal ShareFile to have available for what ever needs you might have. This way you will have copies for yourself to send to banks, mortgage companies etc.

**Consent Form:** If you request for us to send any information to a third party we must have your written consent. We can no longer accept a verbal request or an email. We can either send you a consent form or you can find it on our website under Forms. Because of the time involved starting January 1, 2018 if we facilitate this and send information to a third party you will be charged a \$35.00 fee.

**Tax Changes:** Both the House of Representative and the House of Senate have bills that have recently passed; we will have to wait for the President to sign off on whatever they can all agree on. If we have a new tax bill you can be assured that we will have lots of changes. We will update you of any changes on our website and Facebook when they become available.

**Life Events:** Marriage, divorce, the birth or adoption of a child, purchase of a new residence, retirement, and many more life events impact year-end planning. In some cases a life event may be planned; in other cases events occur unexpectedly. The possibility of significant changes or unusual items of income or loss should be part of a year-end strategy. Taxpayers need to look into 2018, and predict if possible any events that could trigger significant income or losses, as well as filing status changes.

**Tax Planning:** The simplest and most effective tax planning tool for all Americans of all income levels is full participation in retirement plans. Make sure you maximize your 401k deferral if available, contribute to tax-deductible IRA's, and if over 70 ½, pay all charitable contributions through direct transfer from your IRA to the charity. Check your employee handbook at your work and see what other fringe benefits are available to you and call us if you are not sure if it will benefit you. Some of the best fringe benefits provided by employers include cafeteria (or 125) plans, as well as child care plans and wellness programs. Most taxpayers have unused amounts left in pre-tax healthcare flex spending (cafeteria 125 plans). If this includes you get your check-ups, shots, dental work or new glasses taken care of before the end of the year. There is still time to set up and appointment for year-end tax planning by December 31, 2017.

**Charity:** *ALL* charitable deductions for any amount must have a receipt. Any individual contribution **over \$250** must also have an acknowledgement letter from the charity and must be dated by the date we file your return. The letter must show the date & amount of each and every individual contribution over \$250, & state that no goods or services were received in return for the contribution. *Remember if you charge a charitable contribution to a credit card by 12/31/17 we are able to deduct it in 2017!*

**Other Income:** If you have any income from BitCoin, AirBNB, Turo, Etsy, EBay or similar consumer to consumer programs, please let us know because many income tax rules are affected and few of these sites provide you with adequate tax information. Our Engagement letter also discusses this concern.

(Over)

**Affordable Care Act:** All Americans will be affected by the Affordable Care Act from 2010. One of the requirements is that all taxpayers must be covered by health insurance or pay a penalty. If you received a Form 1095 from any issuer or agency we MUST have this in order to complete your tax return.

**Child Tax Returns:** Under absolutely no circumstances should you allow your dependent children or college student to file their own returns this year. This has been a big issue with e-filing and the health care forms. Please bring a copy of the dependent return with you to your interview appointment or let us file for them. We need these before we can file your return.

**Roth IRA Conversions:** You will continue to hear from lots of “experts” this year that you need to convert your retirement accounts to Roth IRAs. While there are a number of advantages to conversions, there are an equal number of disadvantages that carry some major tax consequences. Please do not convert your accounts in 2017 without coming in to see us to discuss both the positives and negatives. All conversions for 2017 must be completed by December 31, 2017.

**Surtaxes:** If you are in what the press has called the 2% club, be aware that the rest of America will soon be joining you! When the surtaxes on this group of Americans were passed, the President purposefully did not adjust the thresholds for inflation. In six years over 50% of all Americans will pay these surtaxes based on estimated inflation rates. You also have to consider your marital status as your income increases because of the incredible marital penalty built in to the surtaxes.

**IRS Letters:** If you should receive a letter from the IRS *or* State of Nebraska Department of Revenue and need us to facilitate a response we would be more than willing to help you out, however, because of the time involved we will have to charge you a fee. If the letter is in response to an error on our part you will not be charged.

**Other Changes:**

- The IRS has brought back outside debt collection companies
- Mileage currently for 2017 is 53.5 cents, look for 2018 on website/Facebook
- Tuition deduction has expired
- PMI deduction – gone
- Energy credit, solar credit, electric car credit, wind credit, Cancellation of Debt (COD) credit –are all gone
- Oil Spill Liability Trust Fund Financing will expire 12/31/2017
- Must have Health Insurance form 1095 from the market place
- Capital gains - unchanged
- IRA \$5500.00 + 1000.00 for over 49
- Healthcare deductions must be over 10% of your AGI/income for all individuals

**Nebraska Changes:**

- Nebraska inheritance tax up to 18%
- Refundable responders credit \$250.00 starting in 2017
- Next Generation Beginning Farmer Tax Credit Act
- Homestead exemption
- Personal Property tax first \$10,000 exemption
- School Readiness Tax Credit

**Deadline Information:** There are literally hundreds of other changes that we will consider this year while preparing your return; because of these changes we are requesting everyone to have their tax information to us **by April 1, 2018.** All information dropped off after the April 1, 2018 deadline we will automatically file an extension for you, but remember if you know that you are going to have a balance due to the government it is still due on April 15, 2018 and will accrue late penalty fees and interest if not paid by then.

**The Engagement letter and Questionnaire are on our website!!!! Please remember we cannot prepare your return without them.** You can locate them at: [www.burrbusiness.com](http://www.burrbusiness.com)

Please know we are working year round to provide you the most affordable & accurate tax returns. We are committed to providing excellent service to you & look forward to continuing that again this year. Thank you again for your continued support.

*Merry Christmas and Best Wishes for a great New Year from all of us at Burr Business Service.*

*Barbara, Charlene, Andrea, Lisa, Lauri, Connie*