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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.

After last year's new "postcard return" the IRS has decided to do away with it this year. Now they are changing & revising the new rules, adding forms (again) and changing the look and feel of the 1040. Now there are only 3 schedules instead of 6, and schedule 1 has been revised again. We are committed to providing excellent service to you, we value your business and as always your best interest is our top priority.

This year our newsletter is designed to give you the guidance needed for understanding how new tax law changes will personally affect you and to dispel some myths that are floating around and to provide some basic ideas for tax planning.

Depreciation: This has changed substantially. Section 179 of the IRS tax code allows businesses to deduct the full purchase price of qualifying equipment/software purchased during the tax year. That means if you buy (or lease) a piece of qualifying equipment, you can deduct the FULL PURCHASE PRICE from your gross income. It is an incentive created by the US government to encourage businesses to buy equipment and invest in themselves. This also includes qualifying improvements of non-residential property such as roofing, heating etc. may be written off in full.

Hobby Rules: It is important for the taxpayer to keep a log of time spent on the activity. If the activity does not rise to the level of an active trade or business, and is classified as a hobby, the cost of goods sold will be deducted from gross income (line 21) and no other deductions will be allowed.

Sales Tax: Garage sales or on-line sales are considered "occasional sales" which includes household goods and personal effects that you have already purchased and paid sales tax on, however if you have more than two sales in a calendar year you are expected to collect sales tax and report it to your state.

Required Minimum Distribution: During the year you turn 70 ½ you can make your charity giving through your (IRA) required minimum distribution to make it a tax-free transfer to them. Sometimes this is the only way to make it deductible (**Please ask us**)

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

No-Click Policy: We practice a "no-click" policy and never click or open links or attachments that have not been specifically requested or confirmed with the sender. Viruses and worms and other damaging malware generally arrive in emails or unsecured links. There are several ways to send us your information:

1. Request for us to send you a secure link
2. Hand deliver to our office

Any exception jeopardizes the possibility of our systems information being exposed. This policy is strongly enforced.

Military Retirement Benefit Exclusion: An individual must make the election within 2 years after his/her retirement from the uniformed services, even if he/she does not begin receiving military retirement benefits immediately upon retirement. (**Please ask us**).

Virtual Currency: If you, your spouse or a dependent deal with mining, soft-fork, hard-fork, or airdrop in virtual currency you are required by law to disclose this information. (**Please ask us**).

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, 2020**. All information dropped off after the April 1, 2020 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, 2020** and will accrue late penalty fees and interest if not paid by then.

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

Barbara, Andrea, Lisa, Lauri, Jill, Charlene