



# **The JPT Financial Newswire**

*A professional services publication from JPT Financial Solutions, Inc.*

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**Analytical Consultation • Tax Return Prep • Eldercare Financial Svcs • General Accounting**

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## ● **THE SEASON TO PREPARE YOUR 2016 INCOME TAX RETURNS HAS BEGUN**

Happy New Year, and wishing you all of God's blessings for salvation, peace, prosperity, and direction in 2017. To those clients who are returning to us once again for tax preparation, we sincerely thank you for your past patronage and ask that you spread the word to your friends and family of our tax preparation services. To our new clients, we thank you in advance for your business and pledge to serve you with quality and professional customer service.

## ● **PREPARATION OF 2016 PERSONAL INCOME TAX RETURNS**

The cutoff to file your 2016 personal income tax return is **Tuesday, April 18, 2017**. The due date is April 18 instead of April 15 because April 15 is a Saturday and April 17 is the Emancipation Day holiday in the district of Columbia. Please contact our office for preparation of your 2016 tax return at your earliest convenience, after you have received all necessary supporting documentation to prepare your return.

Note that all federal and state tax returns prepared by our company will be electronically filed to the federal and state governments. Your returns will be prepared solely on the basis of information submitted to us by you, the tax client.

### **Important - New for 2016 Income Tax Return Filing**

- 1.) All clients and their spouses/partners are now required to provide their driver's **license or state photo ID details** to us every year. Some states are now requiring this information for identity verification when income an income tax return is e-filed. This information needs to be provided to us in the **Personal Data** form noted below.
- 2.) In 2016 the IRS expanded the "**Due Diligence**" requirements and responsibilities of tax preparers to ensure that the information being provided by the taxpayer to calculate the following tax credits is complete and accurate:

- a.) EITC (Earned Income Tax Credit)
- b.) AOTC (American Opportunity Tax Credit – Education Credit)
- c.) CTC / ACTC (Child Tax Credit and Additional Child Tax Credit)

As such, we will expand our interview with clients who claim any of the credits above to provide our office with adequate information to comply with this IRS mandate. Clients who are eligible for the Earned Income Tax Credit, American Opportunity Tax Credit and/or Child Tax Credits will be required to complete an expanded list of **Due Diligence** forms as noted below, including a requirement to provide documentation to us as noted in the forms to support the credit deductions.

## **Requirements for Filing**

Please refer to our website at [www.jptffinancial.com](http://www.jptffinancial.com) and open the tab labeled “**Documents**” to obtain a list of specific information and forms that are required to prepare your 2016 income tax return. If you do not have access to the web please contact our office and we will mail you a set of forms to be completed as needed.

### **1.) Client Data Form**

**ALL** CLIENTS (both new and existing) are asked to complete the **Client Data Form** to ensure that we have complete up to date information for all our clients.

**NEW** clients are also required to provide our office with a copy of the following:

- (a) Your 2015 prior year income tax return (federal and states as applicable)
- (b) A driver's license or state photo ID for the taxpayer and spouse
- (c) Social security cards for the taxpayer, spouse and dependents for identify verification.

### **2.) Personal Tax Preparation Resources** – Select “2016 Tax Season” for each:

- (a) **Tax Checklist for Preparing Personal Tax Returns** - A general recap of information and supporting documentation that is needed for tax preparation. Please provide our office with all relevant forms and information noted in this checklist to prepare your tax return.
- (b) **Engagement Contract** - Required from **ALL** clients **PRIOR** to the preparation of your income tax return. Please review the contract, sign and date, and return the acknowledged copy to our office.
- (c) **Personal Data** – Required from **ALL** clients every year. Complete this form to include filing status, taxpayer and spouse social security numbers, drivers license or state photo ID details, and any estimated tax payment information for 2016 if applicable.
- (d) **Dependents** – Complete this form to include relevant information for all dependents that you claim on your tax return. New clients are required to supply our office with the social security card for all dependents.
- (e) **Direct Deposit & Electronic Funds Withdrawal Information** – Required from **ALL** clients every year (including a copy of a voided check), to set up a direct deposit of your tax refund and/or electronic funds withdrawal from your bank account or credit card for the payment of any income tax liability if desired.

(f) **Health Insurance Coverage** – **ALL** clients are required to complete these forms for all members of your “tax family”, defined as individuals for whom you are claiming a personal exemption on your tax return (generally you, your spouse with whom you are filing a joint return, and your dependents). Residents must maintain minimum essential health coverage or pay a penalty. Minimum essential coverage includes government sponsored programs (Medicare, Medicaid), eligible employer-sponsored plans, plans in the individual market, certain grandfathered group health plans and other coverage as recognized by the Department of Health and Human Services.

(g) **Due Diligence Forms** – **ALL** clients who are eligible for the **EITC** (Earned Income Tax Credit), **AOTC** (American Opportunity Tax Credit) for education and/or **CTC/ACTC** (Child Tax Credit/Additional Child Tax Credit) will be required to complete these individual due diligence forms, including a requirement to provide documentation to us as noted in the forms, to support these credit deductions.

The IRS continues to significantly increase the responsibility of tax preparers to ensure that information being provided by the taxpayer to calculate these credits is complete and correct. As such, we will interview all clients who claim these credits to provide our office with adequate information to comply with this IRS mandate.

(h) **Child & Dependent Care** – Complete this form if you had any child or dependent care expenses in 2016.

(i) **Profit or Loss from Business** – Complete this form if you operated a business as a sole proprietor in 2016.

(j) **Small Employer Health Insurance Credit** - Complete this form to provide information for the calculation of the small business health insurance credit if applicable for your sole proprietorship in 2016.

(k) **Auto Expense Worksheet** - Complete this form to deduct expenses of your automobile for business in 2016.

(l) **Expenses for Business Use of Your Home** – Complete this form if a portion of your home was used for a sole proprietor business in 2016.

(m) **Employee Business Expenses** – Complete this form to identify any non-reimbursed employee business expenses that you incurred in 2016.

(n) **Sale of Capital Assets** – Complete this form for any sale of stocks, bonds, etc. in 2016. As an alternative, you can provide copies of statements that you may have which provide information that is stated on the forms.

(o) **Sale of Home** – Complete this form if you sold your home in 2016. As an alternative, you can provide copies of statements that you may have which provide information that is stated on the forms.

(p) **Energy Credits** – Complete these forms if you have incurred expenses related to special energy related deductions in 2016.

(q) **Casualty and Theft Losses** – Complete this form if you had any casualty or theft loss in 2016.

(r) **Rental Real Estate & Royalties** – Complete this form if you had a rental income or loss activity in 2016.

(s) **Issuing 1099-MISC Forms for Real Estate Property**

Form 1099-MISC needs to be issued by you as the owner of a rental property or business enterprise for certain types of payments made in 2016 which are more than \$600 to an individual recipient. This form needs to be issued to each recipient by January 31, 2017 when reporting nonemployee compensation payments in box 7. The due date to recipients is extended to February 15, 2017, if you are reporting payments in boxes 8 (substitute payments in lieu of dividends or interest) or 14 (gross proceeds paid to an attorney). File Copy A of this form with the IRS by January 31, 2017, if you are reporting payments in box 7. Otherwise, file by February 28, 2017, if you file on paper, or by March 31, 2017, if you file electronically. Review this document for further details and information to complete this requirement.

(t) **Installment Sales** – Complete this form if you had an activity related to a sale set up on an installment basis in 2016.

(u) **Non-Cash Charitable Contributions** – Complete this form if you had non-cash related charitable contributions in 2016.

(v) **Household Employment Taxes** – Complete this form if you had any household employees in 2016.

(w) **Request to File an Extension** – Complete this form if you wish to file an extension for filing your 2016 income tax return.

**IMPORTANT**

In order for our firm to satisfy IRS requirements to sign-off and electronically file your return as a “paid preparer”, it is **required** that clients remit payment for services prior to electronic transmission of your tax return. As such, payment to JPT Financial Solutions for your tax return **is due upon receipt or notification of the completed tax return**. A 1.5% monthly interest late fee will be reflected on all past due accounts over 30 days.

Thank you in advance for your kind assistance and for letting us be of service to you. If you have any questions please don't hesitate to contact us.

● **PREPARATION OF 2016 BUSINESS INCOME TAX RETURNS**

The IRS cutoff to file your 2016 business income tax return is as follows:

NOTE – THE IRS HAS CHANGED THE FILING DATES FOR THE “C” CORPORATIONS FORM 1120 AND PARTNERSHIPS FORM 1065 BEGINNING WITH 2016 TAX RETURNS FILED DURING THE 2017 TAX FILING SEASON. SEE DATES BELOW!

1.) S-Corporations

Generally, an S-corporation must file its Form 1120-S income tax return by the 15th day of the 3rd month after the end of its tax year. For calendar-year filers, the cutoff date for 2016 S-corporation returns is **Wednesday, March 15, 2017**.

2.) Partnerships & LLCs filing as Partnerships

Generally, a domestic partnership must file Form 1065 by the 15th day of the 3rd month following the date its tax year ended as shown at the top of Form 1065. For calendar-year filers, the cutoff date for 2016 partnership returns is **Wednesday, March 15, 2017**.

3.) Sole Proprietors & LLCs filing as Sole Proprietors

Sole proprietors generally file schedule C as included in their Form 1040 personal income tax return which is due to be filed by **Tuesday, April 18, 2017**. The due date is April 18 instead of April 15 because April 15 is a Saturday and April 17 is the Emancipation Day holiday in the district of Columbia.

4.) Corporations & LLCs filing as Corporations

Generally, a corporation must file its Form 1120 income tax return by the 15th day of the 4th month after the end of its tax year. For calendar-year filers, the cutoff date for 2016 corporation returns is **Tuesday, April 18, 2017**. The due date is April 18 instead of April 15 because April 15 is a Saturday and April 17 is the Emancipation Day holiday in the district of Columbia.

Please contact our office for preparation of your 2016 tax return at your earliest convenience, after you have received all necessary supporting documentation to prepare your return. Note that all federal and state tax returns prepared by our company will be electronically filed to the federal and state governments.

Please refer to our website at **www.jptfinancial.com** and open the tab labeled "Documents" to obtain a list of specific information and forms that are required to prepare your 2016 income tax return. Your returns will be prepared solely on the basis of information submitted to us by you, the tax client. If you do not have access to the web please contact our office and we will mail you a set of forms to be completed as needed.

1.) Both new and existing clients are asked to complete the **Client Data Form** to ensure that we have complete up to date information for all our clients.

2.) Refer to the "2016 Tax Season" documents found under **Business Financials & Tax Preparation Resources**:

(a) Completion of the tax return **Engagement Contract** is required from **all** clients **prior** to the preparation of your income tax return. Please review the contract, sign and date, and return the acknowledged copy to our office.

(b) Complete the following forms to provide business activity for your particular business entity type-

a. Corporation, S-Corp and Partnerships:

- **General Data**
- **Income**
- **Deductions**

b. Sole Proprietors:

- **Sole Proprietor – Income & Deductions.**

(c) **ALL** clients (new and returning clients) are required to complete the form labeled **Direct Deposit & Electronic Funds Withdrawal Information** and provide us with **a copy of a voided check** to set up a direct deposit of your tax refund and/or electronic funds withdrawal from your bank account or credit card for the payment of any income tax liability if desired.

(d) Complete the **Small Employer Health Insurance Credit** form to provide information for the calculation of the small business health insurance credit if applicable for your sole proprietorship in 2015.

(e) **Issuing 1099-MISC Forms for Business Enterprise**

Form 1099-MISC needs to be issued by you as the owner of a rental property or business enterprise for certain types of payments made in 2015 which are more than \$600 to an individual recipient. This form needs to be issued to each recipient by January 21, 2017 when reporting nonemployee compensation payments in box 7. The due date is extended to February 15, 2017, if you are reporting payments in boxes 8 (substitute payments in lieu of dividends or interest) or 14 (gross proceeds paid to an attorney). Review this document for further details and information to complete this requirement.

### **IMPORTANT**

In order for our firm to satisfy IRS requirements to sign-off and electronically file your return as a “paid preparer”, it is **required** that clients remit payment for services prior to electronic transmission of your tax return. As such, payment to JPT Financial Solutions for your tax return **is due upon receipt or notification of the completed tax return.** A 1.5% monthly interest late fee will be reflected on all past due accounts over 30 days.

Thank you in advance for your kind assistance and for letting us be of service to you. If you have any questions please don't hesitate to contact us.

### **PREPARATION OF 2016 NON FOR PROFIT RETURNS**

The IRS cutoff to file your 2016 non for profit return is as follows:

- Generally, a non for profit organization must file its Form 990 return by the 15th day of the 5<sup>th</sup> month after the end of its accounting period. For calendar-year filers, the cutoff date for 2016 form 990 returns is **Monday, May 15, 2017.**

Please contact our office for preparation of your 2016 return at your earliest convenience, after you have received all necessary supporting documentation to prepare your return. Note that all federal and

state tax returns prepared by our company will be electronically filed to the federal and state governments.

Please refer to our website at [www.jptfinancial.com](http://www.jptfinancial.com) and open the tab labeled “Documents” to obtain a list of specific information and forms that are required to prepare your 2016 return. Your returns will be prepared solely on the basis of information submitted to us by you, the tax client. If you do not have access to the web please contact our office and we will mail you a set of forms to be completed as needed.

Both new and existing clients are asked to complete the **Client Data Form** to ensure that we have complete up to date information for all our clients. Refer also to the “2016 Tax Season” documents found under **Non For Profit Tax Preparation Resources** for other forms to be completed.

### **IMPORTANT**

In order for our firm to satisfy IRS requirements to sign-off and electronically file your return as a “paid preparer”, it is **required** that clients remit payment for services prior to electronic transmission of your tax return. As such, payment to JPT Financial Solutions for your tax return **is due upon receipt or notification of the completed tax return**. A 1.5% monthly interest late fee will be reflected on all past due accounts over 30 days.

Thank you in advance for your kind assistance and for letting us be of service to you. If you have any questions please don’t hesitate to contact us.

### **IMPORTANT DATES – MARK YOUR CALENDAR**

The IRS Tax Calendar for Small Businesses and the Self Employed is follows:

#### ➤ **FEBRUARY 2017**

##### **02/01/2017**

- Deposit payroll tax for payments on Jan 25-27 if the semiweekly deposit rule applies.

##### **02/03/2017**

- Deposit payroll tax for payments on Jan 28-31 if the semiweekly deposit rule applies.

##### **02/08/2017**

- Deposit payroll tax for payments on Feb 1-3 if the semiweekly deposit rule applies.

##### **02/10/2017**

- Employers: Employees are required to report to you tips of \$20 or more earned during Jan.
- File Forms 940, 941, 943, 944 and/or 945 if you timely deposited all required payments.
- Deposit payroll tax for payments on Feb 4-7 if the semiweekly deposit rule applies.

##### **02/15/2017**

- File a new Form W-4 if you claimed exemption from income tax withholding in 2016.
- Furnish Forms 1099-B, 1099-S and certain Forms 1099-MISC to recipients.
- Deposit payroll tax for Jan if the monthly deposit rule applies.
- Deposit payroll tax for payments on Feb 8-10 if the semiweekly deposit rule applies.



#### **02/16/2017**

- Begin withholding on employees who claimed exemption from withholding in 2016 but did not file a W-4 or W-4(SP) to continue withholding exemption in 2017.

#### **02/17/2017**

- Deposit payroll tax for payments on Feb 11-14 if the semiweekly deposit rule applies.

#### **02/23/2017**

- Deposit payroll tax for payments on Feb 15-17 if the semiweekly deposit rule applies.

#### **02/24/2017**

- Deposit payroll tax for payments on Feb 18-21 if the semiweekly deposit rule applies.

#### **02/28/2017**

- File Form 1096 along with Copy A of Form W-2G issued during 2016.
- File Form 8027 if you are a large food or beverage establishment.
- File Form 730 and pay the tax on wagers accepted during January.
- File Form 2290 and pay the tax for vehicles first used in January.
- Applicable Large Employer: File paper Forms 1094-C and 1095-C; For all other providers file paper Forms 1094-B and 1095-B with the IRS

### ➤ **MARCH 2017**

#### **03/01/2017**

- Farmers and fishermen: File Form 1040 and pay any tax due. However, you have until Apr 18 to file if you paid your 2016 estimated tax payments by Jan 17, 2017.
- Deposit payroll tax for payments on Feb 22-24 if the semiweekly deposit rule applies.

#### **03/02/2017**

- Applicable Large Employers provide Forms 1095-C to full time employees; For all other providers of Minimum Essential Coverage, provide Forms 1095-B to responsible individuals.

#### **03/03/2017**

- Deposit payroll tax for payments on Feb 25-28 if the semiweekly deposit rule applies.

#### **03/08/2017**

- Deposit payroll tax for payments on Mar 1-3 if the semiweekly deposit rule applies.

#### **03/10/2017**

- Employers: Employees are required to report to you tips of \$20 or more earned during February.
- Deposit payroll tax for payments on Mar 4-7 if the semiweekly deposit rule applies.

#### **03/15/2017**

- Deposit payroll tax for Feb if the monthly deposit rule applies.
- S Corps: File Form 1120S for calendar year and pay any tax due. Give copy of Sch. K-1 to each shareholder. File Form 2553 to elect S Corp status beginning with calendar year 2017. For automatic 6-month extension, file Form 7004 and deposit estimated tax.
- Partnerships: File Form 1065 for the calendar year and furnish a copy of Sch. K-1 to each partner. File Form 7004 for extension (see instructions).



- Electing Large Partnerships: File Form 1065-B calendar year return. Furnish Sch. K-1 to each partner. File Form 7004 for extension (see instructions).
- Deposit payroll tax for payments on Mar 8-10 if the semiweekly deposit rule applies.

#### **03/17/2017**

- Deposit payroll tax for payments on Mar 11-14 if the semiweekly deposit rule applies.

#### **03/22/2017**

- Deposit payroll tax for payments on Mar 15-17 if the semiweekly deposit rule applies.

#### **03/24/2017**

- Deposit payroll tax for payments on Mar 18-21 if the semiweekly deposit rule applies.

#### **03/29/2017**

- Deposit payroll tax for payments on Mar 22-24 if the semiweekly deposit rule applies.

#### **03/31/2017**

- File Form 730 and pay the tax on wagers accepted during February.
- File Form 2290 and pay the tax for vehicles first used in February.
- Electronically file Forms W-2, W-2G, 1098, 1099, 8027, 1094-C, 1095-C, 1094-B, and 1095-B.
- Deposit payroll tax for payments on Mar 25-28 if the semiweekly deposit rule applies.

### ➤ **APRIL 2017**

#### **04/05/2017**

- Deposit payroll tax for payments on Mar 29-31 if the semiweekly deposit rule applies.

#### **04/07/2017**

- Deposit payroll tax for payments on Apr 1-4 if the semiweekly deposit rule applies.

#### **04/10/2017**

- Employers: Employees are required to report to you tips of \$20 or more earned during March.

#### **04/12/2017**

- Deposit payroll tax for payments on Apr 5-7 if the semiweekly deposit rule applies.

#### **04/14/2017**

- Deposit payroll tax for payments on Apr 8-11 if the semiweekly deposit rule applies.

#### **04/18/2017**

- Individuals: File Form 1040, 1040A, or 1040EZ. For automatic 6-month extension file Form 4868 and deposit estimated tax. Pay the first installment of 2017 estimated tax - Use Form 1040-ES.
- Corporations: File Form 1120 for calendar year and pay any tax due. For automatic 5-month extension, file Form 7004 and deposit estimated tax.
- Household Employers: File Sch. H with Form 1040 if you paid \$2,000 or more to a household employee.
- Corporations: Deposit the first installment of your 2017 estimated tax.

- Deposit payroll tax for Mar if the monthly deposit rule applies.

#### 04/20/2017

- Deposit payroll tax for payments on Apr 12-14 if the semiweekly deposit rule applies.

#### 04/21/2017

- Deposit payroll tax for payments on Apr 15-18 if the semiweekly deposit rule applies.

#### 04/26/2017

- Deposit payroll tax for payments on Apr 19-21 if the semiweekly deposit rule applies.

#### 04/28/2017

- Deposit payroll tax for payments on Apr 22-25 if the semiweekly deposit rule applies.

Source: IRS Tax Calendar for Business & Self Employed

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