

*** PLEASE READ BOTH SIDES ***

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At your earliest convenience, please
Call our office for
an appointment
Time for Taxes!



Dear: Client,

Thank you for entrusting your 2018 tax return preparation to Berman and Sons. We look forward to being of service to you again this year. Please refer to the [back page](#) when gathering your information for this year.

⇒ **Important:** Please call at your earliest convenience to set-up your 2019 tax appointment. Appointments are filled on a first come, first served basis. Please see page 2 for assistance with gathering your 2019 tax information.

What's New?

Remember the comprehensive tax law changes that went into effect January 2018? They are all still in effect for 2019. Please refer to our website (Worksheet tab) for a more detailed summary of the changes.

Healthcare penalty repealed for 2019. Beginning for tax years ending after 2018, individuals who fail to carry health insurance will no longer be required to pay an individual shared responsibility payment with their tax return. BUT if you participated in the exchange at any time during the year, we will need ALL 1095-A forms issued by the government. There will be an additional charge for the required paperwork

Qualified Business Income Deduction (QBIID). The new deduction for qualified business income from a trade or business, including sole proprietorships, S Corps, and partnerships, is still available on Form 1040, BUT, starting in 2019, IRS now requires additional information and forms. The deduction is subject to many limitations, such as income level and type of business.

If you qualify for QBI, you can reduce your taxable income, whether you itemize deductions or claim the standard deduction.

For those taxpayers eligible to claim the Earned Income Tax Credit, the Child Tax Credit, the American Opportunity Tax Credit or HOH filing status, additional documentation may be required in order to secure the credit. **Refunds for those returns with refundable credits will be delayed until after February 15th.**

All new dependents on the tax return will require birth certificate and social security card.

Items affecting the majority of our clients are included in those listed below.

Highlights

- √-Sale of stocks or mutual funds require additional paperwork (see page 2 for basis details.)
- √- 0% tax on capital gains (and capital gain distributions from mutual funds) for those in the 10% or 15% tax bracket.
- √-Charity – No “cash donations” without receipt from charitable organization. You must have a receipt or proof of payment for each and every item claimed on your return. (bring receipts/proof.)
- √-“Kiddie Tax” now applies to dependent children under age 24. Applies to nonwage income in excess of \$2,100.
- √-Sales tax deduction for some taxpayers. Bring receipts for large purchases (autos, boats, campers, building materials.)
- √-Teacher’s classroom supply deduction (max \$250 per employee, federal & state [new law].) Includes cont education costs.
- √-Illinois Education Credit for K-12 (**increased to \$750.**) Bring receipt for tuition/fees paid. School may provide Schedule ED.
- √-Child tax credit (Maximum **\$2000**) for each child under age 17. AGI limits apply.
- √-Donations of automobiles to charity require form 1098-C (Charity must provide.)
- √-College education credit - Maximum \$2,500 per student. (**See back page for required documentation.**) AGI limits apply.

\$\$ Referral Drawing \$\$

You can win up to **six, \$100 cash prizes**. All you have to do is refer a "New" client to us for tax preparation. "New" means we did not prepare their 2018 tax return. Ask them to let their preparer know they were referred by you. We will enter your name into the referral drawing. We will pick **six** winning referrals. There is no limit to the number of entries you may have. Referral cards are also available in our office.

INFORMATION NEEDED TO PREPARE YOUR TAX RETURNS

In addition to page 1 items

1] All W-2 (wages), F-1099R (pension), W-2G (gambling winnings), F-1099MISC (contract labor), F-1099INT (interest earned), F-1099DIV (dividends earned and interest earned from savings bonds). F-1099G (State refunds) along with any K-1's (partnership, Sub-S, trust/Estate income.)

a] Cancellation/Reduction of debt (Form 1099-C). (**credit card, home loans, etc**) This is reportable income.

b] Short sale, foreclosure on or repossession of real estate. (Form 1099-C or 1099A) May be taxable.

2] Statements showing the amount of unemployment or social security (or SSI) benefits received.

Unemployment recipients may have to access their tax statement via their online account.

3] ITEMIZED DEDUCTIONS (Sch A):

Medical Expenses Paid:

Health Insurance	\$
Other Expenses	\$

Real Estate Taxes Paid: *Bring tax bill*

Primary Residence	\$
Other property(non-rental)	\$
*Sales Tax(large purchase)	\$

*bring receipts

Mortgage Interest Paid: (F-1098's)

Primary Mortgage	\$
Equity/2nd Mortgages	\$

Charitable Contributions: *MUST have receipts*

Cash/Checks	\$
Non-Cash Items Value **	\$

** IF OVER \$500. BRING DETAILED RECEIPTS STATING VALUE OF ITEM(S).

Employee Exp.'s:

Union/Prof. Dues	\$
Job Education	\$
Small tools	\$
Uniforms	\$
Safety boots/clothes	\$
*Other _____	\$

*no longer deductible

4] Child care expenses, including REQUIRED information: Name, address and Tax ID# or SS# of provider(s).

a) Required even if you had dependent care assistance through your employer

5] Any other items of income or expense you feel may be applicable to your tax return, including:

a) Cost of college tuition (Form 1098T required) and fees paid for yourself or dependents, including books and classroom materials.

Student account activity statement or other proof of payment and book receipts are required.

May be available through student's online account.

b) College loan interest paid (include Form 1098E).

**** IN ADDITION ****

If you sold stock or mutual fund shares, or **exercised employee stock options**, we need BOTH the purchase AND sale papers, including 1099-B's. You must obtain complete 1099B including gain/loss detail on stock/fund sales from brokerage firm.

**These may be issued after February 1st. May only be available through online account.

If you bought OR sold a home or investment real estate during the year, please bring:

- Closing papers from the SALE and original purchase papers if investment property (or second home) was sold.
- Closing papers from the PURCHASE of any new property.

If you are involved in any of the following, we have special worksheets that will help you gather the proper tax information.

Please call our office for any of the following worksheets you may need, if they were not included with this letter.

Most of these worksheets can be downloaded from our Web page. www.bermansons.com

- [A] Use of automobile/truck in your unincorporated business.
- [B] Purchase of rental property (bring closing papers.) Includes conversion of residence to rental property.
- [C] Rental Income/Expenses
- [D] Self-employment income - specify type of business as we have some custom worksheets.
- [E] Exclusive use of a **home office** to operate a business, perform substantial administrative duties for your business OR use of your home to provide daycare services.