

Winter 2017 TravelTax News

Filing season is here!

The 2017 tax filing season for the 2016 returns has arrived. Amazing how time flies and we find ourselves in a new year.

It has been quite a year for sure and many unimaginable things have happened from Brexit to the election of Donald Trump. We did not want to release our newsletter until the new administration had taken office as the past years have seen a lot of tax laws passed in January that applied retroactively.

There is a lot to share

New Deadlines

The 2017 filing season brings some changes to some deadlines.

Partnership returns are now due on March 15 to coincide with S corp returns

C corp returns are now due April 15 to coincide with the Q1 quarterly estimates

FBARS are due April 15 (the 17th this year) but an automatic extension is allowed to Oct. 15

Individual returns are still due April 15. That is a Saturday so the due date is Monday the 17th

Canadian returns are due on April 30 - since that is a Sunday, it is May 1

Federal News

Refund delays

With the implementation of Protecting Americans from Tax Hikes Act of 2015 (PATH Act), refunds will generally be delayed till February 15 if the taxpayer has earned income tax credit (EITC) or Additional Child Tax Credit (ACTC) on the return

1095s will be late again

The IRS is allowing insurers and employers till Feb 28 (or March 31 if filed electronically) to file these forms. For most taxpayers, this isn't an issue but some are not aware of their coverage.

Private Debt collection

The IRS is now using private debt collectors to pursue delinquent taxpayers. This is commonplace with many states, but the IRS received a lot negative feedback from congress in the past. This time, the policy change sneaked through. The following collectors have been approved so if you are in a collections situation, do not be surprised if you receive letters from them.

CBE Group
1309 Technology Pkwy
Cedar Falls, IA 50613

Conserve
200 CrossKeys Office park
Fairport, NY 14450

Performant
333 N Canyons Pkwy
Livermore, CA 94551

Pioneer
325 Daniel Zenker Dr
Horseheads, NY 14845

Standard Mileage rates for 2017
Business Miles - 53.5c/mile
Medical or Moving – 17c/mile
Charity – 14c/mile

State News

IN and CA drop their reverse credit arrangement

Starting with the 2017 tax year, the dreaded reverse credit agreement between CA and IN is dropped. This isn't good news for IN residents working in CA. With the old arrangement, CA would allow a credit for the country taxes paid by IN residents, but now, only the CA credit is allowed against IN state taxes (not the county). This can increase the tax on IN residents working temporarily in CA by 1-2%. IN still has reverse credit agreements with AZ and OR.

NJ's complicated relationship with PA

The governor of NJ initially sought to rescind the reciprocity agreement with PA but changed his mind in November. Confusion reigns- NJ and PA are still in a relationship

Lots of state residency tax cases

We posted some reviews of state residency cases on our blog that are worth reading. The take away is that if you are moving, get rid of all your old ties! <https://traveltax.wordpress.com/>

ID Theft Issues

Several states now require a driver's license number to be entered in the return. This is to further enhance ID theft barriers. Many states already request paper copies of W2s randomly from taxpayers as well.

Our News

We are moving!

On February 15, we will move to our new digs on 1010 Riverside Blvd in Norfolk. We purchased a building that used to be a dental practice. Some of the staff will now work in old exam rooms that used to have Nitrous Oxide lines, suction and X-ray machines. All of that got ripped out as well as a lot of old denture grafts ☺ We are now next door to a Subway restaurant, across from the towns high school and 1 block from the YMCA. We now have NO excuse for working out at lunch! ☺

New intern and temporary staff

Say hello to Trisha Wood and Tonya fountain when you call. Trisha is our intern from our local college and was Joe's student (Joe teaches tax at the local college in the Accounting department). She will be handling all the document inflow. Tonya is Joe and Daina's neighbor and will be handling the phones.

We are ready!

We are ready for your documents. As always, feel free to ask for extensions as many of our clients find themselves scrambling at the last minute. If you are a multistate or cross border professional, your life is just different from everyone else!

Travelers Conference

Mark your calendars now for the 10th Annual Travelers Conference on Sept 17-19 at Bally's in Las Vegas!

Have a great winter!!!!

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