

## **TravelTax News**

**January 2016**

We hope you had a great Christmas and New Year. It's already close to a new tax season and there have been some significant changes.

Workbooks are ready for download!

### **TravelTax Happenings**

We now have a staff of 6 individuals. Please welcome Sara Turay, Marcia Wood, and Tiffany Berg to the group. Marcia was Joe's top student at Northeast Community College where he teaches taxation in the Accounting program. Daina, Brenda and Joe are still at it 😊

TravelTax is now a Dave Ramsey Endorsed Provider. Many are familiar with Dave Ramsey's financial programs.

We also have a new and improved website. Joe's wife Daina has spent the last two months getting it up to speed to work across all devices! If any of you catch a bug, please let us know!

### **For Individuals**

FBAR due dates changed -The new due date is now the same as the individual tax return – April 15. An extension can be requested which will delay the due date till October 15, the same as extended individual returns. Any US citizen or Green Card holder with more than 10K in financial assets outside of the US must disclose all their accounts

Standard Mileage rates go down - With the price of gasoline plummeting, one would expect this. The new rate for 2016 will be 54 cents per mile, compared with 57.5 cents in 2015. Driving for medical or moving purposes may be deducted at 19 cents per mile, which is four cents lower than for 2015. The rate for service to a charitable organization is stays at 14 cents a mile.

Passports in limbo for those with tax debts - Owe 50K or more? You may get your passport decertified under new legislation that has passed.

IRS will be using 3<sup>rd</sup> party collections firms- The IRS is now required to use third party collections firms for the collection of certain outstanding inactive tax receivables. The accounts that will be turned over are ones that (1) have been removed from the IRS's active inventory due to lack of resources or inability to find the taxpayer; (2) more than one-third of the applicable limitation period has passed and no IRS employee has been assigned to collect the receivable; and (3) has been assigned for collection, but more than 365 days have passed without interaction with the taxpayer for purposes of furthering collection of the receivable. Basically, with the reduced staffing, these accounts are outsourced. The IRS tried this a few years ago but was shot down by Congress.

Starting in 2016, Educational institutions must report amounts actually paid. A welcome relief from the hot and miss reporting that is currently in place.

Individuals who work as public safety employees, nuclear materials couriers, U.S. Capitol Police, Supreme Court Police, and diplomatic security special agents of the State Department are now exempt from the 10% penalty on early withdraws of their employer retirement accounts.

IRS employees are now barred from using personal email accounts for official business. Most government employees are only allowed to use approved email accounts.

To help prevent identity theft, employers are now required to truncate Social Security numbers on W2s

Here we go with delays again - EVERYONE who has a health insurance policy will receive a form 1095 to show coverage. The 1095 form has three versions (A B and C). Some employers have been given till MARCH 31 to get the B and C forms issued. Soooooo- some taxpayers have no choice but to file extensions

Mortgage forgiveness for a principal residence foreclosure/short sale is now extended through 2016

Kansas Revenue is now allowing municipal income taxes as a part of the credit against a KS residents KS tax. Formerly it was just other STATES, but now includes city/municipal taxes like KC Missouri

A reminder to Maryland residents. If you worked in a high tax state during 2012, 2013 or 2014, the recent SCOTUS decision means you have an additional refund. Contact us if you did.

## **Canadian Clients/ International Clients**

Over the summer, we formed our Canadian subsidiary, TravelTax Canada based in Halifax. We will also begin accepting payments in Canadian currency in the future.

### **For Corporations**

In July, Congress passed legislation that changes the filing deadlines and extended deadlines for entities (Corporation, Partnerships, Trusts etc.) beginning with the 2016 filing year. Below are the changes

#### Normal deadlines

- C corporations will now be due April 15 for calendar year corporations.
- Partnership returns will now be due on March 15 or 3.5 months after year end,.
- S corporations will now be due the March 15 or 3.5 months after year end

If an extension is filed, the due dates are now

- September 15 for calendar year C corporations.
- September 15 for partnerships and S corporations.
- 6 months later for any C corporation with taxable years ending on days other than December 31 or June 30
- 7 months later for C corporations with taxable years ending on June 30, but only for taxable years beginning before January 1, 2026.

Look forward to hearing from everyone this tax season