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Tax time is Here!

# PSC Accounting

## New limitations on Meal and Entertainment

Under the 2017 TCJA, meals and entertainment paid after December 31, 2017 has new limits. General entertainment or meals even if employees are present are non deductible. The distinction means that entertainment and entertainment meals will be treated differently than client-business meals.

### Standard Deduction Increases:

Single or Married Separate	\$12,200
Head of Household	\$18,350
Married Filing Joint	\$24,400

(Additional deductions given to individuals 65 or older or blind.)



## What you need to Know Tax Updates for Filing your 2019 tax

Under the TCJA from 2018, several more limitation changed. As you saw from filing 2018, the higher standards and lower rates helped a majority, but as limitations get higher, excellent record keeping becomes essential.

Affordable Care Act is still in place. However, in 2019 the penalty for not having insurance is adjusted to \$0. If you have marketplace insurance, we will still need the 1095A Form to reconcile your subsidy with income.

Virtual Currency is coming to the forefront. This year, we will have to know if you received, sold, exchanged or had any financial interest in virtual currency. There is a box that we have to fill out for the IRS.

Also under the TCJA Act, the way alimony is treated has changed. For divorce agreements after December 31, 2018, there is no deduction for alimony; likewise, alimony received is not taxable income. The date of divorce is now required for alimony received or paid. This date will need to be submitted regardless of if the divorce happened 20 years ago!

Medical expense deductions will have to total more than 10% of your Adjusted Gross Income to start being deductible and you will have to exceed the higher standard deduction as well.

Qualified Business income deduction may now qualify rental properties for 20% deduction, if strict rules are met. You must maintain separate books to reflect income and expenses, you must have 250 or more hours of rental services performed and you must keep logs of all time, dates and services performed.

Other deductions got tighter as well. Rules for claiming child tax or earned income credit are getting stricter. Proof of all children living in the house will still need to be provided.

Elections to claim disaster losses can only happen in a federally declared disaster area.

Job related expenses are still non deductible.

## What to bring >>>

### Please provide :

All 1099, W2 or K1 forms from businesses, investments, estates

All 1095 Health forms

1098/1099 forms from brokers, interest, stock, dividends, mortgages, student loans, paypal or misc income

Gambling W2G/ logs of expense

Social security cards for new dependents

Proof of children living in household including proof of head of household if needed.

Paid real estate or personal property tax

Names, ID Numbers, addresses and child care providers amount spent

Tuition 1098T Forms, College Books and proof of eligibility for tax credit

Drivers licenses required to efile returns

Documentation for charity, medical, business or farm expenses including logs for mileage.

Deposit slip for direct deposit.

Any other year end forms or tax related information! When in doubt, bring it!



### **PSC Accounting and Tax**

**Service LLC** is a full-service tax and small business accounting firm that is open 6 days a week during the filing season and 4 days a week the remainder of the year. We appreciate the support of our clients, love that we can call you friends and value our long standing relationships. We do fill up fast so call or drop off early!

## Final Note >>>

*Two thousand nineteen.....again, what a year.*

This year, like every year, has been faced with many challenges. I have still been recovering from my 2018 bout with thyroid cancer and all the fun times that went along with that. BUT, I have come back stronger, more grateful for life around me, more thankful to my higher power, and maybe ...a bit sassier. I still do not let a day go by that I don't squeeze the necks of my kiddos and let them know they are my whole world. I still remember to call my mama nearly everyday and I put all my energy into making a better world around me.

My sweet Cale is now eleven! He is still very active with church, school and martial arts, but you will usually find him drawing and creating something amazing! Although he likes to put off homework every now and than, this kid has my heart. Hopefully, his kind soul doesn't end up to scarred by life and his light continues to shine brightly.

Now, Tenley, on the other hand. Kidding....Tenley is a dancing, kicking, singing bundle of enthusiasm. Her teachers tell me she is a knower of all things (meaning talks a lot) and always full of energy and life ( meaning....we can't sit still!). In all seriousness, this girl keeps me sharp, on my toes and makes me appreciate the spirit she brings to life.

This year, as we do every year, we have lost some friends and family too soon. I know we don't get to control life, but want you to know I value and thank you all for being a part of mine.



*Taxes are not about putting numbers in a computer and hoping for the best. A good tax preparer is worth the fee!*

