

13) Business Deductions for Sole Proprietorships, S Corporations, Partnerships and, maybe, Rental Income

- **New This Year** - Qualified Business Deduction (QBD). Generally you can deduct 20% of profit from your income.
- **Standard Mileage Rates.** The 2018 rate for business use of your vehicle is 54.5¢ a mile for the entire year. It's extremely important to have a mileage log or all deductions could be disallowed.
- **No Entertainment expenses** are deductible for 2018.
- **Business meals and Client Prospect Meals** are 50% deductible. The expense must be ordinary and necessary. You must keep track of your business meals all year long so you have the proof you need for the deduction. Keep the receipt that shows the name of the restaurant, the name of the people at the table and a record of the reason for the meal.

14) IRS and/or State Notices

If you receive a notice from the IRS or the State, don't assume that it is correct and automatically pay it. Many notices just require you to give additional information to show why you do not owe additional taxes or penalties. Always call Fiscal Tax when you receive tax notices.

IRS Warning About Email and Phone Scams

The IRS has reported many email and phone scams which claim to be from a collection agency working with the IRS. It is important that you talk to your tax professional if you are contacted before providing any information.

If you receive an **email**: Don't reply, click on any links or open any attachments.

If you receive a **phone call** from someone claiming to be from the IRS: Record their name and badge number, ask for a call back number and make a note of the caller ID if available.

Fiscal Tax Guarantees

For more than 43 years, Fiscal Tax has valued offering our customers the very best income tax preparation services in Central Indiana. We know that tax season is a stressful time for many people. Our team has been doing its homework so we can show you that tax preparation can be easy, fast and maybe even just a little bit fun!



John Striewe
Founder & President

We Guarantee Coverage - with every tax return we prepare. Whether you choose our online or in-person service, if we make an error on your tax return, we pay the penalties and interest.

We Guarantee Accuracy - we guarantee 100% mathematical accuracy.

We Guarantee to Save You Money - we will provide you a guaranteed maximum refund.

Ask Us How

You Or Someone You Know
Could Qualify For An

**XPRESS REFUND
ADVANCE LOAN***

UP TO **\$6,000**

**When We File Your Taxes
Beginning In January**

*The Refund Advance is an optional tax-refund related loan provided by MetaBank (it is not the actual tax refund) at participating locations. The amount of the loan and applicable interest will be deducted from tax refunds and reduce the amount that is paid directly to the taxpayer. Fees for other optional products or product features may apply. Tax returns may be filed electronically without applying for this loan. Loans offered in amounts of 25%, 50%, or 75% of your expected tax refund from \$250 - \$6,000. Loan in the amount of 25% of your expected refund has an Annual Percentage Rate (APR) of 0.00% and a maximum loan of \$2,500. Loan in the amounts of 50% or 75% of your expected tax refund have an APR of 36.0%. For example, \$3,000 representing 50% of expected refund borrowed over 24-day terms, total amount payable in a single payment is \$3,071.01 including interest. Availability is subject to satisfaction of identity verification, eligibility criteria, and underwriting standards.

2018 Tax Tips

Proudly
Serving
Indiana
Taxpayers
Year Round
Since 1976



Fiscal Tax

Since 1976

FiscalTax.com

16 Convenient Locations
Call 317-895-2282 or visit
FiscalTax.com
for the one nearest you

2018 Tax Tips from Fiscal Tax • 18 Convenient Locations

1) Who Will Have Bigger or Smaller Refunds This Year?

- Analysis of 2017 tax returns shows that families with children under 17-years-of-age are most likely to get a larger refund.
- Those most at risk of decreased refunds or owing are:

Taxpayers who itemize, have no dependents, or workers that deducted unreimbursed business expenses like truckers and those who travel for their jobs.

2) Indiana Return

- Contribute to the Indiana College Choice Plan and receive a 20% tax credit up to a maximum of \$1,000.

New This Year -

The money can be used for grades K through 12 as well as college.

- Don't forget, Indiana allows you to deduct the first \$3,000 you paid in rent and the first \$2,500 of property taxes.
- Indiana allows a \$1,000 deduction for each child that attends a private school; parochial school; or is home schooled for grades K-12.

3) Child Tax Credit

- The child tax credit is increased to \$2,000 per child under the age of 17, and the income phase out is higher.
- **New This Year -** \$500 tax credit for dependent children age 17 and older as well as most other dependents.

4) Education Credits

The American Opportunity Credit can increase your refund by up to \$2,500 per student. Also, you could qualify for a \$1,000 refund even if you had zero income, but you cannot claim it if you could be a dependent of your parents. The tax break is allowed the year you pay the tuition even if you used a student loan to pay for it. Form 1098T is required.

5) Itemized Deduction Tax Law Changes

- The itemized deduction for state and local taxes is limited to \$10,000.
- The mortgage interest on home equity loans is eliminated unless it's for home improvements.
- Gaming losses - If you win at the casino, you may receive a W-2G tax form. Be sure to keep it in a safe place until tax time and give it to your tax preparer. Save your losing lottery tickets, too. If you win, you can deduct the losses up to the amount of your winnings.

New This Year -

You can take other expenses like travel, airfare, food and lodging.

- Miscellaneous Deductions Eliminated - Employee travel and business expenses (Meals, Entertainment, Cell Phone, Computer, Office in home), and Union Dues have been eliminated.

6) Student Loans

- The deduction for Student Loan Interest can ease the burden of payments for student loans. If you pay interest on a qualified Student Loan, you are generally able to deduct the interest expense up to \$2,500.
- Discharged loans are generally treated as added income. However, there are now exclusions for: Death, Permanent Disability, and working for a certain period in certain professions.

7) Personal Exemptions and Standard Deduction Changes

- The Personal Exemption Deduction of \$4,150 is eliminated.
- The Standard Deduction is increased to \$24,000 for Joint, \$18,000 for Head of Household, and \$12,000 for single taxpayers.

8) Teachers

There is a \$250 deduction for teachers spending their own money for classroom supplies.

9) Earned Income Credit (EIC)

In 2018 there is an increase on EIC for taxpayers with one or more qualifying children. The EIC reduces the tax you owe and gives you a refund even if you do not owe any tax. For tax year 2018, the maximum credit is:

- Three Children \$6,340
- Two Children \$5,716
- One Child \$3,461
- No Children \$519
- Indiana Credit \$571

10) Health Care Coverage Requirement and Penalty

- 2018 is the last year you can be penalized for not having Health Care coverage.
- The penalty for not having medical insurance can be \$695 per adult and \$347 per child - or 2.5% of AGI up to \$2,085 per tax return. You may be able to get an exemption. We can help.

11) Need a Copy of Your Tax Return?

The Internal Revenue Service charges \$50 for a complete copy of your tax return. However, Fiscal Tax retains our client returns for 10 years and is available year-round to provide FREE copies whenever you should need them.

12) Effect of Changing Withholding Allowances

For each allowance change you make, your refund will increase or decrease by \$410 to \$1,000. It's controlled by your tax bracket which can be: 10%, 12%, 22%, or 24%.



9465 E. Washington St. • Indianapolis IN 46229

317-895-2282

FiscalTax.com