

Apple Tax News

A U T U M N I S A L M O S T H E R E !

THE ARRIVAL OF AUTUMN MEANS A FEW THINGS REGARDING YOUR INCOME TAXES!

**SPECIAL
POINTS OF
INTEREST:**

- Ohio Income Tax Changes
- Federal Tax Law Changes
- 401(k) choices

**FINAL TAX DEAD-
LINE APPROACHES!**

If you filed a tax extension earlier this spring the FINAL date to file your tax return is October 15th!

If you filed an extension with me, and we haven't been able to meet, NOW is the time to contact me!



Al Beatty, E.A., M.T.

**CONGRATULA-
TIONS DEBBIE
WALTERS!**

Last spring Debbie Walters of Jackson was the winner of the \$100 gas card from Speedway for her referral of a tax client.

**CONGRATULATIONS
& THANK YOU**

DEBBIE!

All of your referrals are *appreciated!*

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O H I O I N C O M E T A X C H A N G E S !

- Effective September 1st income tax withholding from your paycheck should decrease!
- Rates are decreasing by 8.5% in 2013.
- Rates decrease another .5% in 2014 and an additional 1% in 2015.
- **HOWEVER**—the personal \$20 credit is phased out for those with taxable income over \$30,000.
- “No double dipping!”—Your child can no longer claim himself/herself on the OH return while you do too.
- OH now has an Earned Income Tax Credit for those who qualify.

Wow what a tax season that was!

Thanks for your patience this past tax season; it was much appreciated!

Perhaps months later you have forgotten, but this past year was a "doozey" for me and most other tax accountants. Personally, this was the worst season I had, regarding stress since the 1998 filing season!

First, we had the uncertainty of the "Bush Tax Cuts Expiration" where certain key provisions such as The Child Tax Cut was in jeopardy.

Secondly, once the President and Congress were able to "sign a deal" on January 2nd it was too late for the IRS to update their forms!

This caused substantial delays in me being able to prepare your tax returns as many forms were delayed often for weeks!

If these "fun" things weren't enough the software provider I had used for a decade dropped the ball with all of these updates causing "weird quirks" as VERY slow printing of your forms!

NEW FEDERAL TAX LAW CHANGES: SOME GOOD SOME NOT SO GOOD!

- I may need more information from you so you can claim your child! New rules REQUIRE me to perform additional diligence checks to claim your child especially when claiming the Earned Income Credit. One of these requirements is for YOU TO BRING to me additional documents such as medical bills and school documents that show YOUR CHILD's address MATCHING YOUR address so you can claim him/her! Failure on my part could result in a fine of up to \$500 PER RETURN! So my apologies when I ask these things, but these are requirements I must adhere!
- Office in Home Deduction: Starting this year there is a "safe-harbor" method of claiming a Home Office in your home. This new method satisfies the IRC 280A with much less record keeping in the past. You may now claim \$5 per square foot up to 300 square fee (\$1,500 total deduction) without going through the process of adding up all of your receipts (utilities, insurance, repairs, etc.)

The Apple Festival is approaching!

Downtown Jackson will come alive again from September 17th-21st with the Jackson County Apple Festival!

As always we will be here enjoying the festival and

available to answer your tax questions.

This year's theme is "Train Rails and Apple Tales".



THE AFFORDABLE HEALTH CARE ACT ["OBAMA CARE"] AND YOU AND ME

As reported in past issues there are a series of tax increases that have kicked in and will CONTINUE to take effect over the next few years for the Affordable Health Care Act.

More of these changes are taking effect this year. Please visit my website: www.appletaxservices.com for updates.

Of course, feel free to contact me directly for specific situations that could affect you and your taxes!

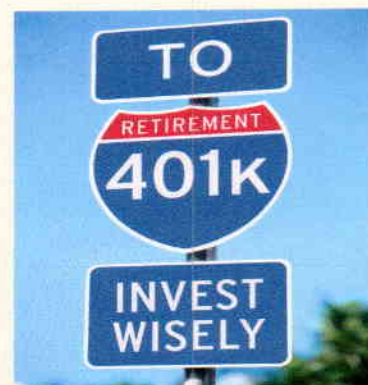


CHANGE JOBS? CONFUSED ABOUT YOUR RETIREMENT PLAN CHOICES? DO NOT CASH OUT!

Internal Revenue Code 72(t) will "smash you on your head" if you are not careful when it comes to YOUR retirement money! This section of the code basically charges you an **ADDITIONAL 10% TAX PENALTY** for amounts distributed from a retirement account before your attainment of the age of 59 1/2. This may not sound like much, but I have seen harsh realities for taxpayers when proper planning is not used with retirement funds. This often occurs when you leave a job with 401(k) or other retirement funds.

This trap is simple for you to be entangled. Your funds are at your previous employer, whom you don't want over seeing your funds, and perhaps the money looks too easy to access for vacations, debts, auto purchases, etc. However, when added to your other income the **TOTAL TAXES CAN REACH 40% !**

So please CONTACT ME BEFORE YOU "CASH OUT"! THERE ARE CHOICES!





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Al Beatty is an IRS Enrolled Agent and holds a Masters in Taxation Degree from Capital University Law School. Al Beatty is an authorized e-file provider. Al also enjoys teaching as an adjunct instructor at Daymar College at the Jackson, Chillicothe, and Lancaster campuses.

Al resides in Jackson, OH, with his wife Molly, and Japanese Bobtail cat, "Otto". He is a proud parent and grandparent.

Hours vary by season and an appointment is highly recommended for your tax servicing needs.

IN SUMMARY

- ***Tax extension expires 10/15—file now!***
- ***Debbie Walters winner of \$100 Gas Card for a Tax Referral.***
- ***Ohio and Federal Tax Law Changes.***
- ***Be CAREFUL when dealing with your 401(k)!***

