



Advantage

Your Personal Finance Edge

March–April 2018

What Will **TAX REFORM** Mean for You?

**Adopt this Lifestyle
Habit of the Uber
Successful**

**Let the Sun Shine in
with More Natural
Light**

**An Action Plan
for Back Taxes**

**Good to Grow
Garden Trends**

**Easy Ways to
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From the Firm

Tackling Tax Reform and So Much More

Tax season is well underway, and once your 2017 taxes are filed, you may be wondering what 2018 will bring with the changes ushered in by tax reform.

As it turns out, the Tax Cuts and Jobs Act does contain some very notable changes that will impact individual and business taxes. We've summarized the key provisions in this issue. We're also giving you an action plan to take care of any back taxes that you may owe so you can be on track for the 2018 tax year and beyond.

Taxes aren't the only topics we're touching on in this issue. You'll also find unique tips to help you achieve peak productivity (in case the first-quarter blahs are hampering your drive) as well as some lighter subjects, such as—pardon the pun—how to enjoy more natural light in your home or office environment. We're also digging in to the latest gardening trends so that you can start planning what this year's garden might look like.

Sincerely,
Your Trusted Advisors





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The Tax Cuts and Jobs Act (TCJA) is the broadest reform of U.S. tax laws in three decades, which means it is likely to have some impact on most taxpayers. If you have yet to see how these new laws affect you, take a few moments to review this summary, then reach out to our firm to learn more.

INDIVIDUAL TAX IMPACTS

- **Potentially lower tax rates.**

For some individuals, tax reform may mean a lower tax rate due to the seven new individual income tax brackets in place: 10 percent, 12 percent, 22 percent, 24 percent, 32 percent, 35 percent and 37 percent.

- **The elimination of the Affordable Care Act's individual mandate and associated tax penalties.**

Beginning in 2019, taxpayers will no longer face the levy of \$695 per person or 2.5 percent of income (whichever was higher) for not carrying health insurance.

- **An increased standard deduction.**

Many traditional tax deductions have been eliminated under the TCJA. These changes have been offset by a larger standard deduction. Effective in 2018, taxpayers can claim a standard deduction of \$12,000 (single and all other taxpayers); \$18,000 (head of household); \$24,000 (married).

- **A higher medical expense deduction.**

Medical expenses are only deductible if itemizing deductions and only after they exceed 7.5 percent of AGI in 2017 and 2018.

- **Retention of the student loan interest deduction.**

This provision was retained from the previous tax laws, which allows student loan borrowers to deduct up to \$2,500 of the interest they paid directly from their taxable income. The benefit phases out as your income increases.

- **Deductions for state and local taxes are reduced.**

This change received a lot of media attention when the TCJA was first passed, and with good reason. If you live in an area with high property taxes, you may be on the losing end of having a deduction of only \$10,000 (\$5,000 for a married taxpayer filing a separate return) for the total of your (1) state and local property taxes and (2) state and local income taxes.

- **The deduction for mortgage interest is lowered.**

Mortgage interest is now deductible only on acquisition indebtedness of up to \$750,000 after December 15, 2017.

- **The deductions for interest paid on home equity loans.**

This has been eliminated completely.

- **There are no tax deductions for moving expenses.**

After 2017, the TCJA suspends the deduction for moving expenses with an exception for certain members of the Armed Forces. The tax-free reimbursement of employment-related moving expenses is also eliminated.

BUSINESS TAX IMPACTS

- **A new pass-through credit for business owners.**

If you are self-employed, the TCJA offers a 20 percent business income deduction for pass-through entities for qualified businesses. To qualify, you must meet some requirements for the type of business you operate, in addition to having income under \$157,500 for single taxpayers and \$315,000 for married taxpayers filing jointly. Limitations are applied at certain levels of income.

- **A lower tax rate for corporations.**

Pass-through entities are not the only entity types that may benefit from the TCJA. C-corporations, which previously had tax rates between 15 percent to 35 percent, will benefit from a flat tax rate of 21 percent under the new law.

- **Deductions related to client entertainment are no longer allowed.**

Previously, businesses could deduct 50 percent of the cost of entertainment directly related to or associated with the active conduct of a business. Starting this year, there are no deductions for these expenses.

- **Employer-provided meal costs are reduced.**

In addition to business entertainment deductions being eliminated, there are changes to deductions for meal expenses for businesses under the TCJA. Through 2018, there is a 50 percent limitation for the deduction of expenses associated with employers providing food and beverages to employees through an eating facility that meets requirements for de minimis fringe benefits and for the convenience of the employer. Importantly, after December 31, 2025, these expenses will not be deductible at all.

- **The new alternative minimum tax exemption amount may eliminate some tax deductions.**

Under the TCJA, the alternative minimum tax (AMT) exemption amount is increased starting in 2018. If you are subject to the AMT and you own a business, deductions such as depreciation and the investment interest expense deduction will be eliminated. ■

It's important to understand how the key provisions of the TCJA may affect you and/or your business. We are happy to discuss how tax reform may impact your individual situation. Please contact us for a consultation.

An Action Plan for **Back Taxes**



There are many reasons why people—and businesses—fall behind on their tax payments. While being a delinquent taxpayer is never a good position to be in, the sooner you can rectify the situation the better. This is especially true in light of recent moves by the IRS to take action (such as having passports relinquished by the State Department) against those with significant unpaid tax debts.

The IRS offers several ways to avoid facing additional fines and penalties for having overdue taxes, including the following:

- Paying your tax debt in full.
- Paying the tax debt in a timely manner under an approved installment agreement.
- Paying the tax debt under an accepted offer in compromise.
- Paying the tax debt under the terms of a settlement agreement with the Department of Justice.
- Having requested or having a pending collection due process appeal with a levy.
- Having collection suspended because a taxpayer has made an innocent spouse election or requested innocent spouse relief.

Action Steps to Resolve Your Back Taxes

Use the tips below to learn how you can make an action plan to take care of your overdue tax obligations. You may also need to consult with our firm's tax professionals for additional assistance.

- If you are behind in paying your taxes, own up to it. Come forward and pay what you owe—or enter into a payment plan with the IRS.

- If you need to request a payment agreement with the IRS, you can do so by filing Form 9465. Taxpayers can download this form from IRS.gov and mail it along with a tax return, bill or notice. Some taxpayers can use the online payment agreement to set up a monthly payment plan for up to 72 months.
- You can look into whether you qualify for an offer in compromise. This is an agreement between a taxpayer and the IRS that settles the taxpayer's tax liabilities for less than the full amount owed. In this situation, the IRS reviews a taxpayer's income and assets to determine their ability to pay.
- Contact our firm. Our tax professionals have helped many people resolve their past-due taxes. Schedule an appointment, and we can review your specific situation and provide additional assistance.

If you owe back taxes, don't wait until the penalties and interest start piling up. Take action now to resolve the situation, and don't hesitate to reach out to us for help. ■



Good to Grow *Garden Trends*





If you love to putter in the garden, then the spring season holds a special kind of joy. Before you slip on your garden gloves and pick up a trowel, check out these 2018 gardening trends for inspiration.

Small Space Gardens

Not everyone has a huge property, but the popularity of gardening continues to grow as a hobby. This means that more options are available for small gardens including container gardens, balcony gardens and vertical gardens, which all work well for limited spaces.

Planting Wildlife Habitats

With the habitats of bees and butterflies at risk, many gardeners are becoming more aware of using their gardens to support these insects and other forms of wildlife such as birds, frogs and turtles. Hand-in-hand with this trend is a movement toward avoiding chemicals that can hurt animals and insects.

Plant, Eat and Repeat

Say goodbye to the “garden-variety” tomato as the standard edible plant for gardeners. Now that there are more seed and seedlings varieties available, plus many exotic choices online, you can expand the diversity of the vegetables, fruits and herbs that you can enjoy straight from your own backyard or other garden location.

Seeding a Meditation Habit

If there’s one hot trend to take note of in 2018, it’s meditation spaces. Experts recommend flowing curves to add a sense of natural grace to your garden along with Zen gardening techniques to add symmetry. You can also add a meditation bench, a space for yoga and a peaceful pool to make your garden a serene sanctuary.

Plant for Privacy

While you can erect a fence to partition your property from your neighbors, you may want to consider a botanical barrier that is both ecologically sound and neighbor friendly. Tall shrubs, climbing vines and other natural barriers can provide a sense of privacy and security.

Now that you have unearthed this year’s best gardening trends, make your planting plans to bring them to fruition. Whether you use your garden to supplement your weekly groceries, to unwind or to provide a buffer from the outside world, there’s no doubt that the time you spend nurturing your green thumb will be well spent. ■

Source: mrtlawnandgarden.com

Don't Miss These Tax Deadlines



Keep these dates handy to avoid paying penalties

PARTNERSHIP/S CORP TAX DEADLINES

March 15, 2018
Partnership/S Corp
Filing Deadline

September 17, 2018
Extension Deadline

C CORP TAX DEADLINES

April 17, 2018
C Corp Filing Deadline

October 15, 2018
Extension Deadline

ESTIMATED QUARTERLY TAX PAYMENT DEADLINES

4th Quarter 2017
January 16, 2018

1st Quarter 2018
April 17, 2018

2nd Quarter 2018
June 15, 2018

3rd Quarter 2018
September 17, 2018

INDIVIDUAL TAX DEADLINES

April 17, 2018
Individual Filing Deadline

October 15, 2018
Extension Deadline

IRA CONTRIBUTION DEADLINE

April 17, 2018

Please visit www.irs.gov for additional updates throughout the year.



Adopt
this
Lifestyle
Habit

of Uber
Successful
People



What do some of the world's most successful business people have in common? A penchant for being super-productive by getting up very early in the morning. Are you ready to use spring's early hours of daylight to springboard into a new level of productivity? If so, then read on!

The Wall Street Journal recently reported that 4 a.m. may be the most productive time of the day because it allows you to get up and get things done without having interruptions.

It may seem inhumanly early to get up that early, consider that if you do manage to pry yourself out of bed, you'll be in good company:

- Apple CEO Tim Cook starts his morning routine at 3:45 a.m.
- Ellevest CEO Sallie Krawcheck says she is the most productive at 4 a.m.
- Michelle Gass, chief merchandising and customer officer at Kohl's department stores, sets her alarm for 4:30 a.m. to go running.
- Former Virgin America CEO David Cush wakes up at 4:15 a.m. to call business associates on the East Coast.

However, if you just can't be that much of a morning person, you can at least learn to tame your morning time to maximize your productivity. Here is how:

1 Set a routine.

Map out your first 30 to 60 minutes in the office to ensure you take care of the key things you need to accomplish before the phone, emails and texts start buzzing.

2 Avoid email.

Emails from other people really represent their agenda, not yours. Therefore, wait to open email until you have finished your key tasks.

3 Let others know when you are available.

Instead of dodging meetings first thing in the morning, try your best to protect your initial "power hour" in the office by not scheduling appointments and letting others know what time your calendar opens up each day.

4 Reward yourself.

It takes discipline to focus on your primary tasks first instead of scattering your energy by responding to the latest "crisis" at work. So be sure to reward yourself with a little coffee treat or even just a few minutes of mindful breathing once you have checked off your initial task list.

While getting up uber early is certainly a noble goal, it may not be possible—or even desirable to you. The key secret that many successful

people share is not only the ability to start their day pre-dawn but, most importantly, the discipline to get priority items done first, without succumbing to the agenda of other people. Now it's your turn to join the ranks of the uber successful. ■



Let the
Sun Shine
in with
More
Natural
Light

In many parts of North America, the spring season brings with it more daylight hours once clocks “spring ahead.” Aside from opening your curtains, there are many ways that you can make the most of the extra sunshine to bring a warm, fresh glow to your home or office—here are just a few...

According to decoratedlife.com, you can double or even triple the amount of light in many rooms. Often, natural light is trapped by the door or window, but these strategies can help you spread the light around your living or office space.

- 1 Assess where your natural light is coming from and places that are dark.** Simply walk from room to room to evaluate.
- 2 Identify which rooms need more natural light.** Consider if dark wood floors in smaller spaces are absorbing a lot of natural light or if you have heavy furniture or other objects obstructing light rays. Think about removing some items to lighten up the space.
- 3 Try using the mirror effect.** Shiny surfaces will reflect light back into rooms, so try adding chandeliers, brass lighting, gold door knobs or silver photo frames, brass candlesticks, mirrors, or clear acrylic furniture to dark rooms to maximize the natural light in those spaces.
- 4 Add lighter hues on ceilings and hallway walls.** Having dark paint on the ceiling and in hallways will trap natural light, so use white, cream, yellow, or pale blues or pinks instead.

5 Remove dark and/or heavy curtains. This may seem obvious: Even if your curtains are made out of lighter fabric but are a dark color (or vice versa), they can cut the amount of natural light that is available.

Here are some additional ideas for dark rooms from decoratedlife.com:

- **Use the same size mirrors directly opposite one another.** The seemingly infinite set of reflections creates a sense of endless depth, making the room feel bigger and lighter.
- **Add a large mirror to the end of a short hallway to make it look longer.** You can also add a set of glass-paned doors to make the space look more airy and to let in additional light.
- **To create the look of one larger window for a corner window, place a mirror of the same size as close to the window as possible.** This will look like one larger window and bring in more light.

With the arrival of spring, letting more natural light into your home or office will help to add levity to your mood and add a positive vibe to your surroundings. So go ahead...start your spring cleaning with a plan to let the sun really start shining in! ■

**Easy Ways to
Go Green
at The Office**



With Earth Day being celebrated in April, spring is the perfect season to take action to make your office a little bit more environmentally friendly. Use these simple tips to go green in the office, and also save money in the process.

1. Buy reusable pens.

Did you know that Americans throw out over four million disposable pens daily? Consider purchasing reusable pens instead.

2. Go paperless— and print prudently.

Of course, the greenest path is to not print anything that you don't have to. However, when you do need a hard copy of something, try using the software programs GreenPrint and EcoPrint2. These programs identify areas of waste in printing, alert users to possible wasted space, and recommend how to eliminate it.

3. Monitor mailing lists.

This is an often overlooked tip. When your company's mailing lists are up to date, you avoid sending out unnecessary letters, thus saving the paper, printing and postage.

4. Unplug!

A significant amount of office power is consumed by machines that are off, but still plugged in to a live outlet.

Standby power is a huge energy waster and expense. You can use a program like Surveyor, which automatically powers down company computers at night, to end this environmentally unfriendly situation.

5. Maximize natural light.

Did you know that artificial lighting represents 40 percent of electricity consumption in a typical office building? To reduce this waste, turn off the lights and open the blinds to let daylight in wherever possible. For additional tips, check out the article, "Let the Sun Shine in with More Natural Light" in this issue.

These are just a handful of ways to help your office go a little greener this spring. Consider surveying your employees to find other environmentally friendly ideas to keep your office and the Earth healthy. ■

Source: americanexpress.com



TIME IS RUNNING OUT!



The tax deadline is approaching fast—have you filed yet? Take advantage of our convenient, paperless process. But hurry—time is short!