

Gwizdala & Associates

CONSULTANTS & ADVISORS SINCE 1984

Gearing Up for Tax Season

Our busy time is right around the corner. We hope you had a wonderful holiday season and we look forward to another year of doing business with you.

Access At Your Finger Tips

Have you refinanced, purchased a home, or obtained a loan of some sort recently? If so, you know that banks need to thoroughly investigate your financial standing. They generally request a lot of information that they need with a quick turnaround such as your tax returns. You can access all of this in your online portal.

Many of you have been using our online access portals to obtain this information anytime and anywhere. You can also access this on your smart phone with the FREE NetClient CS app.

Your online access portal is just like logging into your bank account to check your account activity, but it is actually 10 times more secure than most banking portals. Secure online access via portals is becoming the industry standard. You have 24/7 access to your tax documents.

Please make sure we have your current email address on-file for you to access your own portal. Feel free to give us a call for a quick walk through on how to login and navigate to your information.

Our policy is to provide you with a copy of your tax return when we prepare your taxes. If you need an additional copy or you need an electronic copy sent to a third party, there is an additional fee if you choose to not access this through your online portal. Also, IRS requires us to have you sign our 3rd Party Authorization form before we can provide anything to a 3rd party.

Online access portals are more convenient and more efficient. Visit our website for tons of information at www.tenforty.com. Like us on Facebook too!

Social Security Earnings Limits

The 2013 earnings limit for 2014 is \$15,480 for retirees ages 62 and up to full retirement age (FRA). One dollar must be repaid for every two dollars earned over this figure. For those reaching FRA in 2013, the earnings limit for the months prior to reaching FRA is \$40,080. Starting in the month that you reach your FRA, there are no limits on your earnings.

Dates to Mark on Your Calendar

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|----------|--|
| March 1 | Please have your corporate tax return info to our office by this date to prepare and process your tax return timely |
| March 17 | Corporate Tax Return Deadline |
| April 1 | Please have your individual tax return info to our office by this date to prepare and process your tax return timely |
| April 15 | Individual Tax Return Deadline |



Staff Spotlight

Jeanne Gadbois has been with Gwizdala for over ten years now preparing taxes. When she's not plugging away with us, she enjoys camping and Twin's games. She's also a frequent blood

donor. It was recently brought to her attention that she has given 36 gallons of blood!!!

We are excited to announce that Jeanne has recently earned her credentials as an Enrolled Agent. An Enrolled Agent is a federally authorized tax practitioner to represent taxpayers before the IRS. Enrolled agent status is the highest credential awarded by the IRS.

Useful Figures

Mileage Rates:

	<u>2013</u>	<u>2014</u>
Business	56.5 cents	56 cents
Medical & Moving	24 cents	23.5 cents
Charitable Organization	14 cents	14 cents

IRA Contributions:

Under age 50	\$5,500	\$5,500
Age 50 or older	\$6,500	\$6,500

SEP Contributions:

Employees	25% of wages	
Self Employed	20% of net SE income up to	
	\$51,000	\$52,000

401(k):

Under age 50	\$17,500	\$17,500
Age 50 or Older	\$23,000	\$23,000

Standard Deductions:

Single or Married filing Single	\$6,100	\$6,200
Married Filing Joint	\$12,200	\$12,400
Head of Household	\$8,950	\$9,100

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Winter 2014 Newsletter

Our Expectations of Our Clients

You MUST sign the Annual Engagement Letter and fill out the two page questionnaire included in this mailing. IRS requires this with the rest of your tax documents that you provide to us for preparation. Payment is due when your return is prepared before we file your return. If you have extenuating circumstances, please let someone in our office know and special arrangements can be made. Finance charges will be applied to late payments.

Annual Business Travel Per Diems

IRS released the annual update for per diem rates used to substantiate employees' business expenses for lodging, meals, and incidental expenses incurred while traveling away from home. The Meal and Incidental Expense (M&IE) rates for the transportation industry remained unchanged at \$59 for travel in the Continental U.S. and \$65 Outside the Continental U.S.. The per diem for travel to high-cost localities increased by \$9 to \$251 (\$65 for M&IE). The rates apply to per diem allowances paid to employees after 10/1/13.

Processing Your Tax Return Quickly

If you have not had significant changes in your tax situation for last year, you are welcome to mail in or drop off your tax documents for us to process. This will allow our preparers more work time to prepare your taxes. We will call you with any questions.

Our staff schedules are usually limited during tax season. If you drop in without an appointment, we most likely will not be able to meet with you. Feel free to leave the information at the front desk and we'll call as soon as possible.

Tax Season Hours

White Bear Office Hours:
Monday – Thursday
8:30am – 7pm
Friday
8:30am – 3pm
Saturday
8am – Noon
Remember, we have a locked drop box to the right of our door.

How do I Calculate my Required Minimum Distribution (RMD)

Your RMD is generally determined by dividing the adjusted market value of your IRAs as of December 31 of the preceding year by the distribution period that corresponds with your age in the Uniform Lifetime Table (Table III in IRS Publication 590, Individual Retirement Arrangements (IRAs)). If your spouse is your sole beneficiary and is more than 10 years younger than you, you will use the Joint Life and Last Survivor Expectancy Table (Table II in IRS Publication 590). These tables can be found at www.irs.gov.

Same Sex Marriage

In August of 2013, IRS and Minnesota ruled that same-sex married couples in Minnesota will be treated the same under state and federal tax laws. Minnesota legalized same sex marriage around this time, therefore, individuals who are lawfully married under state law should now file their federal AND state tax return as married.

Identity Theft is on the Rise

IRS has seen a rise in identity theft in recent years. If you have been a victim of identity theft, you will need to apply for a PIN through IRS by submitting a Form 14030 (Identity Theft Affidavit). You will use this PIN to file your tax return. IRS failed to investigate thousands of identity theft cases because taxpayers filed the incorrect form. In 2010, they destroyed approximately 3,000 Form 3949-A, that is intended to be used to report suspected cases of tax fraud. Because the instructions on this form are confusing. Thousands of people have used the form to report identity theft cases.

We advise you to file your taxes in a timely manner leaving less time for identity thieves to fraudulently file taxes using your information. We have found that taxpayers hit most often by identity theft have filed their taxes after the April 15th deadline.

Charitable Deductions

Individuals who do not itemize deductions are allowed to subtract charitable cash Contributions in excess of \$500 on their Minnesota return. Up to 50% of the excess can be deducted.

Refer Us To Your Friends

If you have been happy with our service over the years, please refer us to your small business owner friends and family. If you don't already know, we are a full service accounting firm that does everything from individual taxes to large business payroll, bookkeeping, and business consulting.