Greetings and welcome to the new year 2020!

Our firm prays that the past year has been full and blessed for you! We loved seeing those of you that visited with us this past year and conversing via email with those that opted to use our upload feature. We can’t wait to see you in a few months during tax season and get caught up!

**In Tax News**

We made it through the 2018 tax season with the new laws and we’re ready for the 2019 tax season! The IRS will begin accepting business tax returns on January 7th and individual returns in mid-January. As of the time that I am writing this letter, Virginia has still not released their forms.

Although we are now in year two of the new tax law act, there are some changes that were put in place to allow for inflation. Among the few new adjustments or provisions for 2019 are:

1. Increases for the standard deduction increased by $400.00 for married filers ($24,400) and $200.00 for single filers and those filing separately ($12,200).
2. penny less. I will endeavor to keep my opinions to myself.
3. For those that ended up owing, please remember that the withholding tables may or may not work for your individual situation and you may want to make sure you have enough withheld for 2019. The last estimated tax payment should be made no later than Jan 15, 2020 for it to be applied to the 2019 tax year to avoid additional penalties.
4. Other adjustments to the 2020 tax year affecting the cost of living can be viewed online at this website: <https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2020>.
5. Interestingly the IRS revamped the online W4 calculator and it is actually a lot better than last year. Yes, this is an opinion. I did see it being demonstrated at a recent tax conference and was happy with the changes. I look forward to testing it out.

The answer to everyone’s burning question - yes, you are still allowed to deduct charitable contributions and your home mortgage. These two items seem to be on a lot of minds. Provided the basic items of Schedule A (home mortgage, the tax section which is comprised of withheld taxes, real estate taxes, and personal property taxes, and charitable contributions) exceed the standard deduction mentioned above then we will itemize.

Please remember, the IRS will NOT call you to collect money or threaten you with legal action. They are requesting phone numbers now so it is a bit confusing, but if you get a phone call and you are being threatened, just hang up. The IRS will not behave in such a manner and we don’t want to see you become a victim of a scam. If you have concerns, please call Shelley or I. We have even helped others with matters of collections agencies not dealing with tax returns.

The tax law has become quite complex and our culture is no longer one dimensional when it comes to taxes (all the things like job wages, house interest, and deductions for dependents). Subjects such as international taxation, Virtual Currency Taxation, or Unified State Sales Taxes are no longer subjects for sci-fi thrillers but our everyday matters. The greatest asset we offer to you is to dedicate ourselves to keep up with the new laws and how they apply to you so that you do not have to worry about the filing details. Many of you are now contractors or self-employed with side businesses, have kids in college, and your spouses are employed or even self-employed themselves. Side note - there are new reporting requirements and additional forms for self-employed activities. We enjoy conversations with you as you navigate through changes and what ifs.

That is one the greatest things we have noticed about you, our beloved tax client. You want to weigh and consider how the tax law and its changes apply to your ever-changing life. To help you stay abreast of tax topics as you consider your personal situation, we will be posting a Tax Tip Insight Newsletter on the website [www.taxladymargy.com](http://www.taxladymargy.com) monthly. Let me know if you do not own a computer and I will mail them to you. The rest of you internet warriors, please sign up for notifications or visit the website monthly in order to be alerted when the tax tips have been placed in the resource tab. You might even put it on your calendar as the highlight of your month.

This year, we heard from many of you requesting tax planning outside of tax season and we are always so happy to help. We have made adjustments to our office hours and fees in this regard. **Quick phone calls and emails remain at no charge.** Tax consultations (not to be confused with preparations) will be $35.00/hr with a min of 1 hour for returning clients and $77.00/hr with a min of 1 hour for new clients (we have never prepared a return). Digital copies of tax returns will be uploaded upon request at tax return prep time. After tax season, there will be a $7.50 fee for copies. These fees will be included on the next tax prep bill.

We continue to offer help in clarifying a matter with the IRS, if we made the mistake, for free. Any other inquiries from the IRS or need to send responses will remain at the fee we have had for years of $77.00/hr for research into the matter and $125.00 if an amendment needs to be submitted.

As far as preparation fees, there are no increases in our fee structure. There are new additional required schedules to some of the tax returns and these may create variance in the prices. We diligently work at keeping tax prep costs down for you.

**In Margy’s News**

Margy’s children and 12 grandchildren continue to be a joy in her life and she looks forward to seeing them every chance she gets. Almost all of them gathered during the 4th of July for their annual water/messy games reunion. It’s always a highlight of the year. She made trips to all the children’s homes this year including a special trip with one of the 13-year-old grandsons to CA to see her son and his wife. She is returning this spring for a camping trip in Yosemite with them. She enjoyed several trips with friends throughout the year including a trip to see the Trans-Siberian Orchestra. In between her travels, she also found time to kayak, paddle board, and hike. She continues to lead women’s Bible studies as time and opportunity allow. Of course, she enjoys the quiet of being at home with Steve and the dogs too. She enjoys reading tremendously and most recently, she enjoyed the Penderwicks series with several of her granddaughters.

**In Shelley’s News**

Shelley and her family moved into their new home in Fredericksburg, VA in August. Her growing accounting firm, Not Just Numbers, continues to work in conjunction with Bookkeeping Solutions. She is slowly decorating the new house, loves when the kids come to visit, and her favorite hobby is reading. Her favorite trip this year was to the bed & breakfast owned by one of her favorite authors that her husband booked for her birthday. Her husband, James, continues to work as a Licensed Professional Counselor at Bright Horizons Counseling with a full case load. He is also finishing up his doctoral classes before starting his dissertation process. Caleb, her oldest son, remains in San Diego and re-enlisted in the Navy as a Cryptology Technician - Maintenance for another 3yrs. He is enjoying his new command and takes advantage of his Disneyland annual pass as much as possible. Her daughter, Julie, is a senior at Liberty University and is finishing up her final classes to graduate in May. She is enjoying her group of friends and lives off campus this year. Seth, her youngest, graduated high school in June and chose to also join the Navy as an Operations Specialist. He graduated boot camp in Nov and is currently in Great Lakes for A school. He is getting settled in and is looking forward to getting his orders.

We both pray that your new year is filled with family, joy, and fun. We love to take this time to remember that Christ’s birth, life, death, and resurrection is the reason for our joy and hope. Happy New Year and welcome to tax season 2020!

Margy Shelley

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