

Newsletter

JANUARY 2017

Mark your calendar: First quarter 2017 tax deadlines

Tax return filing season has arrived, which means it's time to mark your calendar for these 2017 tax deadlines.

- **January 17** – Due date for the fourth and final installment of 2016 estimated tax for individuals (unless you file your 2016 return and pay any balance due by January 31).
- **January 31** – Employers must furnish 2016 W-2 statements to employees, and send copies to the Social Security Administration (both paper and electronic).
- **January 31** – Payers must file all copies of 2016 Forms 1099-MISC with non-employee compensation in Box 7. For these forms, the January 31 due date applies to both paper and electronic filing.
- **January 31** – Employers must generally file 2016 federal unemployment tax returns and pay any tax due.
- **February 28** – Payers must file information returns (except certain Forms 1099-MISC) with the IRS. (Except for certain Forms 1099-MISC, March 31 is the deadline if filing electronically.)
- **March 1** – Farmers and fishermen who did not make 2016 estimated tax payments must file 2016 tax returns and pay taxes in full.
- **March 2** – Large employers must furnish Form 1095-B and Form 1095-C to employees.

Note the new due dates for Forms W-2 and 1099

Did you spot the new due dates on the tax calendar? As you begin your January payroll preparation, take into account earlier due dates for two common information reporting forms.

Forms W-2 for 2016 are due January 31 for all copies. In the past, you had to provide Forms W-2 to your employees by January 31. Now the January 31 deadline also applies to copies submitted to the Social Security Administration.

The due date for filing all copies of 2016 Forms 1099-MISC with non-employee compensation in Box 7 is January 31, 2017. For these forms, the January 31 due date also applies to both paper and electronic filing.

IRS extended the due date for Forms 1095

When you're an applicable large employer (generally, when you employ 50 or more full-time workers and equivalents), you're required to provide information about health coverage to the IRS and to your employees. The IRS extended the date on which two of these forms are due to your employees. Instead of being due January 31, Form 1095-B, *Health Coverage*, and Form 1095-C, *Employer Provided Health*

Insurance Offer and Coverage, are now due March 2, 2017. There is no change to the February 28, 2017, due date for filing paper forms with the IRS, nor the March 31, 2017, due date for filing electronically.

2017 financial shape up: Small steps toward big goals

Shaping up your finances in 2017 may seem like a big goal, perhaps even too daunting. But if you take one small step at a time, these small steps will add up. Here are suggestions.

* Shift out of automatic. Have you established automatic bill pay at your bank or service provider, or automatic charges to your credit card?

Small step: Look for payments for goods or services you no longer use, such as recurring monthly subscriptions, and cancel them.

Big goal: Reduce total expenses and increase savings.

* Take the urgency out of emergency. Sure, you know that having an account with enough funds specifically earmarked for emergencies is a good idea. But the amount you need to save seems overwhelming. The good news is you don't have to immediately fund six months of living expenses.

Small step: Set up a separate account with automatic deposits of \$5 or \$10 per paycheck, perhaps with funds you've redirected from those unused recurring monthly subscriptions.

Big goal: An emergency fund with enough cash to cover six months of expenses.

* Give yourself credit. Maybe you intend to pay off your credit card debt. But do you have a plan? Knowing where you stand is the first step in getting to where you want to be.

Small step: Make a list of your cards, the balances, the minimum payments, and the interest rates.

Big goal: Eliminate finance charges by being able to pay off your balance each month.

* Retire your excuses. Does your employer offer a retirement plan? If so, you may be leaving money on the table.

Small step: Find out what amount is on offer as "matching" funds. That's money your employer will add to your account when you make contributions.

Big goal: Maximize your retirement contributions.

Small steps can lead to big improvements in your financial well-being. Contact us for more tips.

Standard mileage rates go down for 2017

Have you noticed the price of gas? So has the IRS – and the reimbursement rate for business mileage has gone down as a result. The new rate for 2017 is 53.5¢ per mile, down from the 2016 rate of 54¢ per mile.

The rate for medical and moving mileage also decreased. Effective January 1, the standard rate is 17¢ per mile, down from last year's 19¢. The charitable mileage rate remains 14¢.

Some federal income tax refunds may be temporarily delayed

In general, you can expect your federal refund to be issued approximately 21 days after your electronically filed tax return has been accepted. However, identity theft is still a major problem, and the IRS continues to implement new strategies to protect taxpayer data. For example, if you claim the Earned Income Tax Credit or Additional Child Tax Credit on your 2016 individual federal income tax return, your refund will be held until February 15.