



November 2018

Dear Client,

As another year winds down, our office begins preparing for what will certainly be “the most dramatic tax season ever”. We continue to study the recent major tax reform to ensure that we are able to answer all of your questions and provide you the best possible tax savings under the new law. However, even though we always have visions (or delusions?) of sugar-plum filled tax seasons, the reality is that tax season 2019 is sure to be complicated. The majority of our clients will be greatly impacted by the changes and will most likely require some additional time and modifications to absorb the new laws. We ask for your patience when preparing your tax returns next year.

TAX CUTS AND JOBS ACT

The Tax Cuts and Jobs Act (TCJA) was signed into law on December 22, 2017 and is being called the most sweeping tax reform since 1986. With the media frenzy surrounding the new law, there’s been a lot of confusion and questions regarding the changes and how it affects your tax returns. We’ve included a summarized analysis of the most relevant changes for both individuals and businesses.

YEAR-END TAX PLANNING TIPS

We have prepared a separate sheet that includes some routine year-end suggestions and general information. Please check our website regularly for any additional details or updates. Contact us to discuss your situation or for a personalized strategy.

TAX PROJECTIONS

A normal income tax projection can be done in either an office consultation, over the phone, or by email. This allows you to plan for tax liabilities, assists in deciding when your taxes need to be paid in order to avoid or reduce penalties, and what alternatives and options you have available to alter the result. This is something that can be prepared at any time during the year and can be updated as often as you desire. We use assumptions and estimates in preparing these projections, so there are no guarantees. However, it is a valuable tool to use when making an informed decision.

OTHER SERVICES

We are available for your entire professional advisory needs. Many times we can offer suggestions before you do something that may save you money. For example, we can assist you in deciding whether to exercise stock options, to purchase or sell a business or real estate and how to calculate the required minimum distributions from retirement plans. For our business clients, we offer on-site personalized QuickBooks training and bookkeeping assistance, either on a routine basis or as a one-time consultation.

PENALTIES

You are required to have a minimum amount of withholding and/or estimated tax payments during the year in order to avoid any potential penalties for underpayment of your tax. As a result, it is important to review your withholding and estimated tax payments for both federal and state income taxes before the end of the year. If you do not meet the minimum amounts you should increase your withholding or make an estimated tax payment as soon as possible.

IRS 2018 STANDARD MILEAGE RATES

- Business: 54.5 cents per mile
- Charitable: 14 cents per mile
- Medical: 18 cents per mile

2018 FILING DEADLINE

This year the filing deadline will be Monday, April 15, 2019.

EXTENSION REQUESTS

We will efile extension requests for all individuals whose tax information is received after **Monday, March 11, 2019**. Please note that this is a couple days earlier than our cut-off in previous years. Due to the major tax reform, we are anticipating slightly longer processing times. Any income tax balance due amounts must be estimated and paid by April 15, 2019 to avoid interest and penalties. All information required for us to calculate extension payment amounts must be received by **April 1, 2019**. If you do not notify us otherwise or if we do not receive the necessary information for your extension calculation by April 1, 2019, we will automatically efile your extension request with "zero" balance due amounts. Please understand that we are unable to make exceptions to these deadlines.

STATE TAX RETURNS (other than California)

Our tax program is capable of preparing a resident or non-resident tax return for any state.

PERSONALIZED OPTIONS

We can conduct tax interviews over the phone or in person, communicate via email, send paper tax returns by FedEx, upload digital tax returns to our website or transfer them to a flash drive. Feel free to use the method you prefer that is best for your individual circumstances. **NEW!** While we're not up and running yet, our hope is to also offer video conferences in 2019 (i.e. Skype).

SOCIAL SECURITY NUMBERS

Your full name and social security number on your federal tax return must exactly match your name and number on your social security card. If you need to make a change with the Social Security Administration, contact them as soon as possible, as it takes approximately six weeks to reflect changes.

DID YOU MOVE?

Be sure that we have your current mailing address to timely receive your organizer. Send address changes to Nikole at frontdesk@friedmanperrycpas.com.

ORGANIZER BY SNAIL MAIL

Your tax organizer will be mailed the last week of December.

ORGANIZER BY EMAIL

To receive your 2018 organizer electronically, send an email to frontdesk@friedmanperrycpas.com before **December 10**. Indicate which of the following options you prefer:

- **E-Organizer** (extremely different format from the paper organizer)
 - You will complete your organizer entirely online and email it back to our office.
- **PDF Organizer** (an exact PDF copy of your personal paper organizer)
 - You will print your own paper organizer at home and complete it by hand (unfortunately, we do not have the capability of a fill-in PDF file at this time).

WE HAVE MOVED!

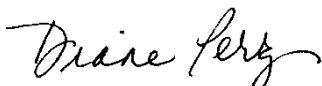
As most of you know by now, we have moved our primary office from Fremont to Livermore. Before you drop-off your tax package for 2018, be sure to call or email us to confirm the drop-off location. Alternatively, we are using a secure post mail box that can be used to mail your package. For our age 60 and over clients, we will offer free pick-up and/or delivery services if you live in Fremont, Union City or Newark. This has been an exciting change for us (especially Becky who no longer has a commute!), but will entail a bit of transition for our annual tax season appointments and drop-off's. We do not want any of our clients to be negatively affected by our move, so please reach out to us if you have any concerns and we will do our best to accommodate you.

HOLIDAY HOURS

We wish you and your families a very enjoyable holiday season and a prosperous new year. Our office will be closed for the upcoming holidays as follows:

DECEMBER 24, 25, 26, 31 and JANUARY 1

Sincerely,



Friedman & Perry
Certified Public Accountants