

Airports can be a stressful place and they become even more stressful when something unexpected happens. A young father learned this when he was trying to check in for an upcoming flight with his 2 year old daughter. He had mistakenly thought she could fly free because of her age but was informed that his daughter would need her own ticket. The father was obviously upset because he did not have the money to pay for the ticket. He was leaving the counter to make some phone calls in hopes that a family member would help him out of this unexpected situation. At that point a stranger stepped in, approached the counter, and told the ticket agent she wanted to pay for the little girl's ticket. This was hard for the father to believe as the price of the ticket was \$749. The appreciative man asked for the woman's name so he could repay her but she insisted on remaining anonymous. The only thing known about her is that she helped someone in dire need. In our own way and with the means we have available, let's help others and remember there is no better time to start than today.

FEBRUARY
2018

Valentine's Day is a time to share love and bring joy to others. Here are some non-traditional ways to show love.

- ❖ Replace a child's gift with \$10 to give to a needy child.
 - ❖ Instead of buying gifts for loved ones, donate to **Plan International, USA**. They help provide communities with clean water.
 - ❖ Decorate a jar to put loose coins in. At the end of the month, donate it to charity.
 - ❖ Participate in an Act of Kindness for someone you don't know... like sending a note of appreciation to a police or fire station.
 - ❖ Make Valentines for the elderly or a homeless shelter.
 - ❖ Donate money you would have spent on gifts to your Valentine's favorite charity.
- What a difference it would make, if we all spent a little less on those who already have enough, and gave a little more to those in need.

Love is not just looking at each other, it's looking in the same direction.
Happy Valentines Day!

BE READY FOR TAX SEASON

- 1. Choose a preparer.** If you don't have one, ask others for a referral. They need a Preparer Tax Identification Number (PTIN) authorizing them to prepare federal income tax returns. Ask about their fees and stay clear of anyone taking a percentage of your refund.
- 2. Make an appointment.** The sooner you meet with your preparer, the sooner you can begin the process.
- 3. Gather income information.** By the end of January, you should have received needed tax forms. Verify that the information matches your own records.
- 4. Get your receipts together.** If you itemize expenses you need receipts for medical costs, not covered by insurance or reimbursed by any other health plan, job-related expenses, property taxes paid, and investment-related expenses.
- 5. Collect records for charitable contributions.** If you itemize your deductions, you will need a record of your charitable donations.
- 6. Be knowledgeable of tax law changes.** You don't need to be an expert but it helps to be aware of new tax rules so you won't be caught off guard.
- 7. Make a list of personal information.** This includes the social security number of each dependent you claim, addresses of rental property, dates you moved, and information about property you bought or sold.
- 8. Have last year's return available.** This serves as a reminder of items you don't want to overlook.

COMMON TAX FORMS

Here are some of the most common forms needed to prepare your income taxes:

- Form W-2 from employers
- Form SSA-1099 if you received Social Security benefits
- Various 1099s to report income such as cancellation of debt (1099-C), dividends (1099-D), interest (1099-INT), distributions from annuities, profit-sharing plans, retirement plans, individual retirement accounts (IRAs), insurance contracts and/or pensions (1099-R) and nonemployee compensation paid to independent contractors (1099-MISC).
- Form 1095-A, Health Insurance Marketplace Statement, to report information from the government Marketplace where you purchased health coverage
- Various 1098s reporting your mortgage interest (1098), student loan interest (1098-E) and tuition payments (1098-T)
- Form W-2Gs for certain gambling winnings
- Schedule K-1s from entities in which you have an ownership interest

Remember: Your return may require additional forms so be sure to check with your tax preparer.

You really can't beat the game. If you earn anything, it's minus taxes. If you buy anything it's plus taxes.

TAX MYTHS FROM INVESTOPEDIA

- People who file electronically are more likely to be audited.** The main audit triggers are the same as always, things like filing late, high self-employment income and math errors. The IRS audit rate remains steady at less than 2% of all returns.
- Paying taxes is voluntary.** To the IRS, "voluntary" means you get to do all your tax calculations. The law requires everyone to pay taxes.
- Our Taxes are too high.** Americans don't pay the highest taxes. Individuals are taxed at 50% or more in The Netherlands, United Kingdom, Austria, Belgium, Cuba, Denmark, Sweden and Japan.
- Filing for an extension increases chances of an audit.** Most tax preparers say there is no link between filing for an extension and getting audited. If there aren't any math errors or other red flags, the IRS will be more than likely to pass one over for an audit.
- All certified public accountants (CPAs) are income tax experts.** The CPA curriculum includes extensive income tax courses, but not all CPAs go into tax preparation or keep up on income tax laws. If a CPA does your taxes, be sure they have tax preparation experience.
- Getting a large refund is good.** This simply means the government had control of your money for several months, instead of you.