



# Tips to Make Tax Time Easier

**2013 tax return preparation is upon us. Even though it's October, it really is tax time already.**

Tax preparation done now can result in thousands of dollars in savings because there are still things you can do to alleviate the pain of April 15 tax filing.

## I. Business Tax Returns

If your business uses QuickBooks accounting software, it's very easy

for you to send us your files now so we can make the necessary adjustments.

When your books are adjusted early (whether it's QuickBooks or another program) you'll have a better handle on your tax liability and can plan accordingly.

Businesses have various opportunities to lower their tax liability. We can assist with these decisions:

- Healthcare tax credit – in certain instances, owners with 25 or fewer employees (who pay average salaries of \$50,000 or less and pay for half of their health insurance) may obtain a tax credit.
- Section 179 expensing – \$500,000 is the limit on expensing equipment, machinery, furniture, fixtures and vehicles.
- Bonus depreciation – allows for a write-off of up to 50% of the cost of new vehicles, machinery, furniture, fixtures and equipment.



### RBF Services:

#### Accounting and Auditing Tax Services

#### Management Consulting Services

- Accounting Systems
- Business Acquisitions
- Business Startups
- Business Process Improvement
- Financing
- General Business Counsel
- Succession Planning
- QuickBooks

#### Personal Financial Counseling

### Industry Experience:

#### AgriBusiness Services

- Egg Processors
- Farming Operations
- Fertilizer Producers
- Food Processors
- Silo Manufacturers

#### Construction Industry Services

- Aluminum and Glass Contractors
- Bridge Contractors
- Building Supply Companies
- Commercial Building Contractors
- Drywall Contractors
- Landscaping Contractors
- Masonry Contractors
- Mechanical Contractors
- Plumbing Contractors
- Residential Building Contractors
- Steel and Iron Fabricators

#### Healthcare Services

- Assisted-Living Facilities
- Continuing Care Retirement Communities
- Healthcare Foundations
- Home Care Nursing Associations
- Hospital Authority
- Individual & Group Medical Practices
- Medical Billing Services
- Nursing & Rehabilitation Centers
- Personal Care Facilities
- Pharmaceutical Distributors
- Pharmacies
- Sub-acute Facilities

#### Manufacturing Industry

- Tool and Die
- Fabricators
- Mold Extrusions
- Snack Food
- Packaging
- Aluminum Siding
- Glass and Glazing
- Industrial and Automotive Tools



# Tips to Make Tax Time Easier

## 2. Individual Tax Returns

Individuals can impact their tax liability by using these year-end strategies:

### Contribute to Retirement Accounts

Contributing to a traditional IRA can save you tax dollars, but the amount you save will vary. Variables impacting your tax savings are your tax bracket and how much you've contributed in the past.

Remember that Roth IRA contributions are not tax deductible, but all withdrawals from a Roth are tax-free in retirement.

For 2013, the maximum traditional IRA contribution an individual can make is \$5,500 or \$6,500 if you are age 50 or older by the end of the year. Self-employed persons can contribute a maximum annual amount of up to 20% of S.E. income.

### Make a Final Estimated Tax Payment

If you haven't made your estimated payments or paid too little, get a final payment in by the end of the year to help minimize underpayment fees.

According to the IRS, you have to pay 100% of last year's tax liability or 90% of the current year's tax or you will owe an underpayment penalty. You can make an estimated payment by January 15, 2014 and avoid any penalty for the fourth quarter. If you failed to pay earlier quarterly taxes, you will still be liable for those quarterly penalties.

### Organize and Itemize

Keeping your documents organized throughout the year makes tax time much easier. It can save you time and money, both in taxes and tax preparation fees. Getting your records to RBF early can ensure that your tax preparer has the time to evaluate your situation, and RBF offers an extensive checklist. The Client Organizer helps you evaluate your records to ensure that you take all eligible deductions.

With over 100 deductions on the checklist, you're likely to find several that you may have missed on your own.

### JEFF BLEACHER



*"Clients are urged to use our web portal this year to make the tax filing process easier for them to transfer information and have greater involvement in their tax return. I would love to show people how easy it is to use. It's a big benefit for everyone."*

### KEN FALK (on the right)



*"Planning is critical for successful tax filing. When clients are proactive with getting information to us early, we are able to maximize their tax situation for positive outcomes."*

### DON'T FORGET!

**X** *Signature Required*

8879 forms **must be signed** for electronic filing

*Electronic tax filing is more accurate and efficient*



# Tips to Make Tax Time Easier

In addition, meeting with your RBF Partner to discuss your unique situation will help you maximize your deductions for the tax filing most beneficial for you.

## In summary:

Every year CPA firms like RBF remind their clients to get

documents in early. This year is no different.

We operate in a compressed timeframe to prepare tax returns. Our sources at the IRS tell us that's not going to change any time soon.

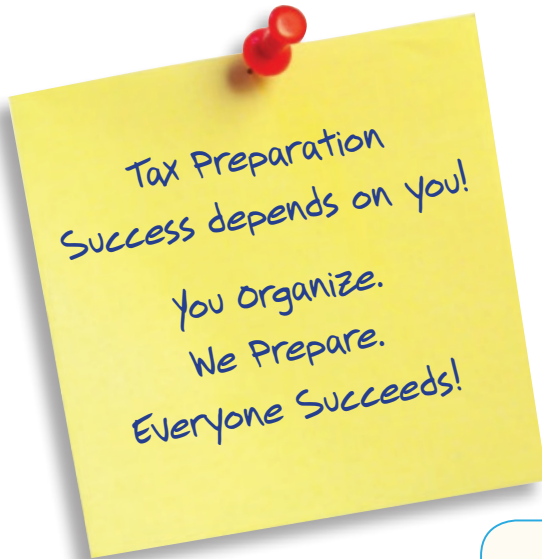
So we are responding to time compression in several significant ways:

- Urging you to bring your documents and info in early
- Sign up and use our portal for easy transmission of data and tax information
- Be organized for your own benefit and positive outcome.

## LARRY REICH



*“A few tips that can help everyone include having a list of medical expenses and contributions - not just receipts. If you can get a summary of prescription expenses from your pharmacy that is a big help as well. Organizing your expenses is one of the ways you can get a better picture of where your money is going throughout the year and its impact on your deductions.”*



### DON'T FORGET!

**X** *Signature Required*

8879 forms **must be signed** for electronic filing

*Disclaimer of Liability:* Our firm provides this information for general guidance only, and does not constitute the provision of legal advice, tax advice, accounting services, investment advice, or professional consulting of any kind. The information provided herein should not be used as a substitute for consultation with professional tax, accounting, legal, or other competent advisers. Before making any decision or taking any action, you should consult a professional adviser who has been provided with all pertinent facts relevant to your particular situation. Tax articles are not intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding accuracy-related penalties that may be imposed on the taxpayer. The information is provided “as is,” with no assurance or guarantee of completeness, accuracy, or timeliness of the information, and without warranty of any kind, express or implied, including but not limited to warranties of performance, merchantability, and fitness for a particular purpose.

Ross Buehler Falk & Company, LLP  
Certified Public Accountants

1500 Lititz Pike  
Lancaster, PA 17601

717-393-2700  
717-393-1743 (fax)

[www.rbco.com](http://www.rbco.com)

RBF is a Lancaster, PA CPA and consulting firm specializing in providing accounting and consulting services with the highest integrity.



## PATRICK GENDRUE (on the left)

*We prepare taxes in a very compressed timeframe so getting information early makes a difference in how quickly we can get back to clients with questions and information requests. In addition, you can impact tax planning by getting QuickBooks files to us before year end so that we can clean up your files and help you with planning that could reduce your tax payments.”*



# Plan Early...Pay Less. Tax Relief in Sight?

**While April 15, 2014 seems like a long way off, we all know the inevitable tax day comes much too quickly.**

Jeff Bleacher, Managing Partner at Ross Buehler Falk & Company recommends that individuals start early by getting a tax “check-up” well in advance of tax time. “This can be a very smart move this year, since the markets have done so well in 2013. There are also changes in capital gains and other related taxes that should be taken into account when doing year-end tax planning.”

Bleacher and his Partners at RBF recommend planning early. “Clients who plan early and meet with us to strategize for their tax planning tend to save money on taxes as well as saving money on tax preparation. Since we have a compressed time for preparation and filing, it just makes sense to plan ahead as much as possible for the best outcome.”

As an example of tax changes, Bleacher notes that previously the highest tax bracket for individuals was 35%, but for 2013 it will rise to 39.6%. Like other changes, this will require planning in order to best use deductions, credits and exemptions to reduce the amount of taxes owed.

## 1.) Make Every Deduction Count

Deductions are the most significant way to reduce taxable income. But the value of those deductions is

based on the taxpayer’s marginal tax bracket, so claiming deductions appropriately is critical.

Making contributions to a 401(k) or other retirement vehicles will reduce taxable income as will charitable donations or medical expenses. Medical expenses are only deductible in excess of between 7.5% and 10% of an individual’s adjusted gross income. Keeping receipts for medical expenses is important for taxpayers, but particularly for seniors with high medical care costs.

## 2.) Tax Credits Can Be Critical

Tax credits are extremely valuable to reduce tax liability dollar for dollar and with several common credits, there are many opportunities to reduce tax burden.

For example, the child tax credit can apply if a taxpayer has a qualifying child under the age of 17. This credit can reduce a federal income tax amount by up to \$1,000 per child claimed on a return. The American Opportunity tax credit will give a \$2,500 credit for undergraduate education which is calculated per student.

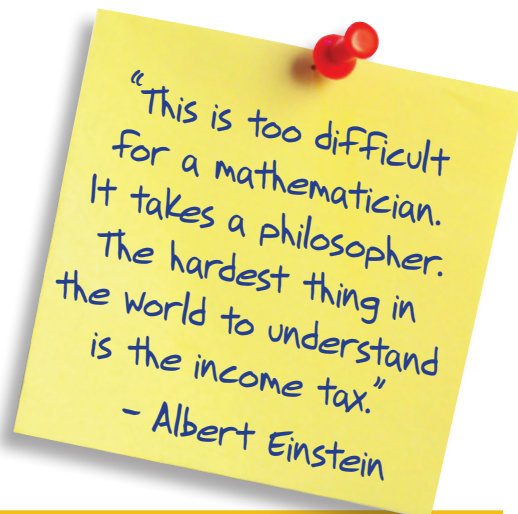
There are many additional credits available and Bleacher recommends that you work with a tax professional who can sort out the complex tax rules for your particular scenario. A tax professional will know which credits you can claim and can lower your tax liability as a result.”

## 3.) Exemptions for Individuals

Taxpayers should take full advantage of every eligible exemption. For instance, a married couple filing jointly would have an exemption for each spouse as well as one for each dependent.

W-2 employees should pay close attention so they have the right exemptions in place. While everyone enjoys getting money back from the IRS, it’s not the best way to manage money. Bleacher reminds taxpayers that there are much better ways to invest money than having the IRS keep it in their coffers.

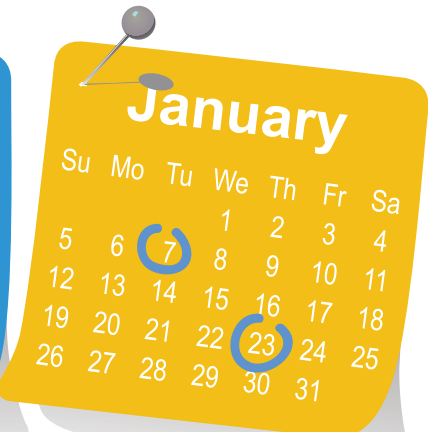
In summary, Bleacher notes that tax preparation is complex and onerous; a process done best with professional help. He adds with an ironic tone, “We haven’t even started with the tax implications of the Affordable Care Act. That’s another matter, altogether.”





# Tax Time: Put It in Your Schedule

Now is the time to start planning for April 15, 2014 in order to maximize your tax savings. While there are lots of details we can't include here, we wanted to help you get your calendar in order so you'll be able to have a hassle-free tax preparation season. (And, we'll be able to focus more on your return as well.) So, get your Smart Phone out and put these dates on your calendar. We're here to help, even when you head South for a winter vacation!



**NOVEMBER 1** – Meet with RBF to strategize for 2013 taxes

**NOVEMBER 15** – Organize tax files

**DECEMBER 17** – Meet with RBF and finalize Tax Estimates for 2013

**DECEMBER 31** – New Year's Resolution - Sign up for RBF Portal - become paperless!

**JANUARY 7** – Review RBF Tax Organizer Document

**JANUARY 23** – Review tax deductions



**FEBRUARY 12** – Check for receipt of all source documents 1099s, KIs, Broker Statements, etc.

**FEBRUARY 25** – Deliver all information to RBF before going to Florida

**MARCH 14** – Tax Information due for guaranteed completion by April 15<sup>th</sup>

**MARCH 15** – Business Tax Return Due Date

**MARCH 25** – Check in with RBF upon return from Florida

**MARCH 31** – Sign 8879 document which allows RBF to file electronically

**APRIL 1** – No Fooling – Tax Info delivered after today will result in an automatic extension

**APRIL 15** – Go to bed early Taxes filed electronically

**APRIL 30** – File 2013 Tax Returns in safe place

**DON'T FORGET!**  
**X Signature Required**  
8879 forms **must be signed** for electronic filing