

# H&R PYE'S TAX SAVER

H & R Pye's Tax and Accounting Service | 46 Varney Mill Rd. Bath, ME | (207) 443-6183 | [www.pyestax.com](http://www.pyestax.com)

## Hip Hip Hooray!

As you all know, Holly has been suffering from pain for a long time. She often complained of the ache in her knees which kept her from being able to walk well.

This summer, Holly had a bad fall that turned out to be a blessing in disguise. Because of the fall, she learned that the majority of her pain was coming not from her knees, but from her right hip.

She had severe arthritis, and in fact – as the surgeon told her later on – the hip itself was out of joint and had dragged her sciatic nerve out of position. No wonder she had so much pain and trouble!

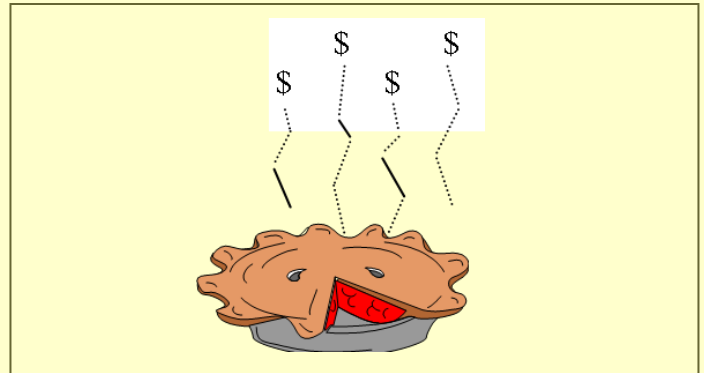
From then on, she was on the fast track to recovery. She met a hip and knee surgeon in Portland and got scheduled for a hip replacement surgery this fall. The wait was hard, but Holly channeled her energy into preparing mentally and physically for the surgery.

When the time came, the procedure went without a hitch. Holly stayed in rehab for a few days to recover, and ever since, she's been home and walking better than she has in years! The improvement in her overall health has been wonderful to witness, and she is very happy with her new hip.

It turns out that much of her knee pain was caused by the issues with the hip, so even that has diminished since the surgery. For now, she plans to continue getting gel injections in her knees to help with the pain, which she says is more than satisfactory for the time being.

Unfortunately, because of the surgery, our usual Pye's plans for the fall were disrupted.

We were unable to go on our annual Epic Epcot Girls' Trip to Walt Disney World in Florida this year, much to everyone's disappointment. And while the



staff still made it to the W.B. Mason trade show at Foxwoods in October, Holly had to stay home to rest her newly-healing hip. It certainly wasn't the same without her.

We did manage to go on a short trip in September to celebrate Holly's birthday. We had a great time eating blueberry-lemon pancakes and staying up much too late laughing and sharing stories.

But although it was sad for all of us to cut back on our fun trips together, we all recognized the urgency and importance of Holly's hip replacement, and we are all grateful that she was able to have it done with such a good surgeon.

Even still, Holly is looking forward to being able to travel again. She already plans to be going on at least one Disney trip in 2018, and she went down to W.B. Mason's What a Bargain event in Portland to schmooze and hopefully solidify our invitation to the Foxwoods event next year.

Holly has come far over the course of her recovery in these past few months. She would like to thank everyone for their thoughts and prayers in these times, her staff – Cheryl, Linda, and Chelsea – for their constant help and support, and of course, our valued clients, to whom she is always grateful.

We hope you'll see the huge improvements in her health when you come in for your tax appointment in the new year!

## Understanding Your Tax Appointment

There are several things that are important for you to know and understand in order to have the best tax experience.

To start, you need to bring the following information with you when you come to your appointment:

- Up-to-date bank information (account number, account type, routing number, and bank name)
- A list of your non-cash contributions with the dollar amounts tallied and all math done
- Completed Client Information Sheet and engagement documents (from our website)
- All tax- and income-related mail, opened and unfolded
- Proof of any new dependents
- If you claim the Earned Income Credit, Additional Child Tax Credit, or Education Credit: proof of the dependent's residency (a document with the parents' names, dependents' names, and the address) and our completed EIC Questionnaire

If you bring these materials and other necessary information with you, then we should be able to finish your tax return at the time of your appointment. Then the return goes through our checking process.

This means the return moves from your preparer to the Pye's staff. The staff then scans and assembles your tax packet, checks and double-checks the return, and files it with the IRS and the state of Maine. Once the return is accepted by both agencies, you are called and told the return is ready to be picked up.

However, if you do not get us all of your information by the time of your appointment, you will leave with homework. When you have homework, the process changes.

Because our schedules are densely packed from the beginning of tax season to the end, we cannot finish your return as soon as you bring us your homework. Instead, when you bring us your homework, it goes to the bottom of the pile of other clients' completed homework. These returns are then worked on when the preparer has some spare time in between appointments.

This means that even if you have an appointment Monday morning and you bring us your homework Monday afternoon, your preparer cannot work on your return again right away. Instead, they will get to it after they finish the returns of the clients who got their homework in the hour before, or the day before, or the week before, etc.

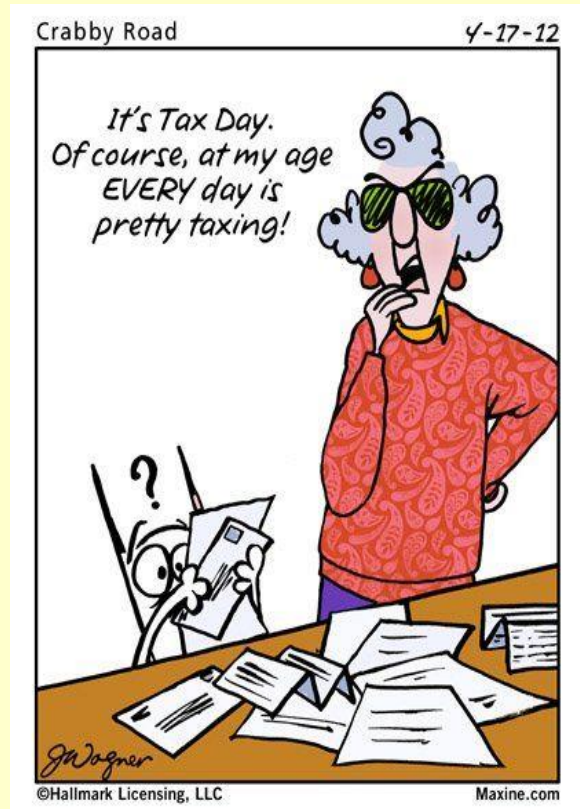
We understand that this can be frustrating, but it is unfair for us to drop a return from a client who was prepared in order to finish a return from a client who wasn't. And it's impossible for us to give anyone a second appointment because the season is just too busy. So you can see how important it is for you to come to your tax appointment as prepared as possible.

Also, we need you to let us know immediately if you need to cancel or postpone your appointment. If you are running late, please call us, and understand that our schedule may be too tight to accommodate you, in which case, we will have to move your appointment. If you are sick, please be considerate and call us to reschedule.

One final note: this year, if you have not gotten all of your information to us or had your initial tax appointment by June 1<sup>st</sup>, an additional fee of \$150 will be added to your tax prep bill. Our hope in implementing this fee is that it will encourage everyone to get their taxes finished earlier in the year, so we can better provide our services to everyone. We appreciate your understanding.

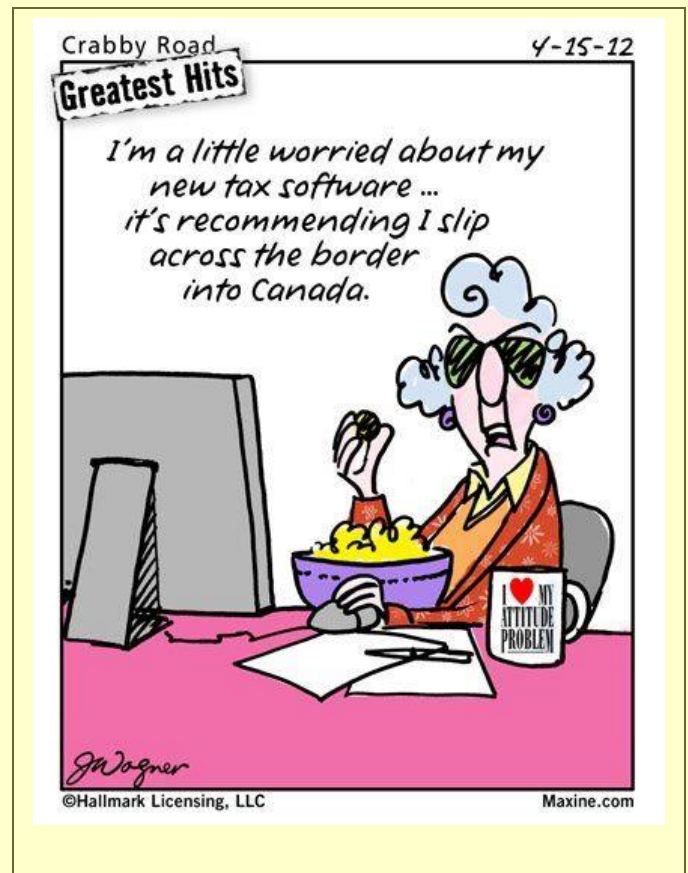
## Staff Stories

This year, after graduating with her Master of Fine Arts in Creative Writing over the summer, Chelsea flew to Ireland with one of her best friends. They spent a week exploring castles and the beautiful green land. Chelsea is grateful to have lived this dream come true.



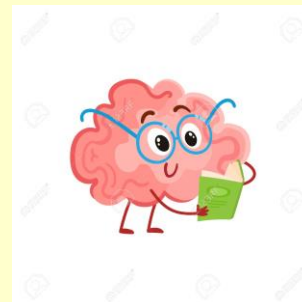
This year, Linda had to lie low and spend a lot of time relaxing as she recovered from an injury to her trapezius muscle, which unfortunately kept her from gardening as much as she would have liked. Instead, she spent a lot of time catching up on her Netflix – she finally got to see *Stranger Things*!

But she didn't spend the whole year between healing and physical therapy. She and Cheryl snuck away for a weekend in Foxwoods, and it sounds like they had a wild time. She also got to go with her daughter to see Elton John live at what she says is the best concert she's ever been to.



This year, Cheryl was able to squeeze in a few quick visits to two of her favorite cities: New York and Orlando! In fact, she got to go to New York three times – her husband and sister-in-law, her son, and once with just her sister-in-law to celebrate their birthdays. Needless to say, she packed several shows into her visits, as that's her favorite thing to do in the big city.

In Orlando, she and her husband got to spend several days visiting with one of their oldest friends and scoping out the 55+ community that they hope to make their home once they reach retirement.



## Important Notes

To help you prove your mileage, it is now recommended that you get an oil change at the beginning and end of the year and bring in your bills when you come to your tax appointment.

If a child has \$2100 or more of investment income, they will be taxed at the parents' rate rather than their own rate – up to and including the age of 23. This happens even if the child provides all of their own support. So if the parents' tax bracket is 25% and the child's is 15%, the child will be taxed at the 25%. This requires an additional tax form for the child's return.

Before you come to your tax appointment, please open and check your 1095 A or B. We need you to make sure that the premiums and coverage periods listed on the form are accurate.

Your refund will be delayed until February 27, 2018 if you have the Earned Income Credit or Additional Child Tax Credit. These are two of the areas where the IRS sees a lot of attempted fraud, so they take extra time to make sure these returns are legitimate.

Please remember that if you file for an extension, it only changes the date you need to file your return by. You need to determine how much you will owe and pay it before the original due date in order to avoid penalties.

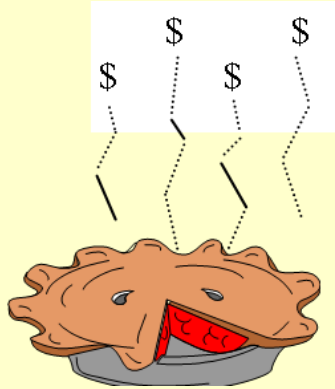


There is no more credit for energy efficiency expenses (high efficiency or energy star rated doors, windows, roofing, insulation, heating, and air conditioning). Residential mortgage insurance premiums are no longer deductible as mortgage interest. Effective with the 2017 tax year, medical expenses have to exceed 10% of AGI to be able to deduct them, regardless of your age. The deduction for qualifying higher education tuition and fees is no longer available to taxpayers who don't qualify for education tax credits.

The Federal Trade Commission (FTC) recommends the following steps for victims of identity theft. 1) File a police report. 2) File a complaint with the FTC. 3) Contact a credit bureau and place a "fraud alert" on your credit report. 4) Close any financial accounts opened without your permission. The IRS requires the following steps of tax-related victims. 1) Complete Form 14039 Identity Theft Affidavit. 2) Respond right away to any IRS letters or notices. 3) Continue to file and pay taxes, even if you must do so by mail.

In 2018, Social Security recipients and military retirees will receive a 2% cost of living adjustment.

Remember: don't click on links or open attachments you weren't expecting or that are from emails you don't recognize. Never download software from websites you don't know and trust. Keep your operating systems and programs up to date, and keep updated and legitimate anti-virus and anti-malware software on all of your devices with Internet access. Following these best practices will help protect you from ransomware.



## New Tax Bill

The GOP has proposed a new tax bill. The bill is currently being discussed and debated in Congress.

As of this moment in time, we do not know whether or not the bill is going to pass. If it does pass, we do not yet know exactly how it will affect returns for tax year 2017.

It's possible that this will have a drastic effect on many people's returns, but it's also possible that not much will change at all.

Since we don't know and have no way of knowing whether or not the bill will pass, or how much it will or won't affect our clients, please be aware of the situation and check our website ([www.pyestax.com](http://www.pyestax.com)) for updated information.

## Contest Winners

**Email Alert Contest:** Robert and Cynthia Morris; Richard Bowen; and Allen and Maryanne Elwell

**Prescheduled Appointment Contest:** Larry and Gail Albee; Harold and Rosslyn Adams; Robert and Ellen Allen; Steven Barber; and Darren Birckbichler

**Confirm Your Appointment Contest:** Mill Creek Builders; Gilbert Peterson; and Derek and Caelie Smith

## 2018 Contest Deadlines

**Sign up for our email alerts** on our website ([www.pyestax.com](http://www.pyestax.com)) by April 15<sup>th</sup> and be entered into a drawing for a \$50 credit—up to three winners.

**Prescheduled Appointment Contest:** 5 prizes of \$15 credit each. Deadline is **Friday, January 19<sup>th</sup>**.

**Confirm Your Appointment Contest:** Call and confirm your tax appointment by **Friday, January 19<sup>th</sup>** and be entered into a drawing for three separate \$50 credits.

As always, if you refer a new client to us, you will receive a \$10 **credit memo**.

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[www.pyestax.com](http://www.pyestax.com)  
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information and to  
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documents you  
need to sign and  
bring to your tax  
appointment!*

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**Don't pass the Pyes by or your taxes  
may be too high!**

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*We're on the Web!*

*Visit us at:*

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

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## Heading Into 2018

This year at Pye's, we've got our plans made and our ducks in a row. We've been working hard to make sure that everything is as ready as it can be, and that we are as prepared as we can be, for this tax season.

Every year, we learn more about how we work as a team, what to expect from the IRS and the Maine Revenue Service, and what our clients like and expect, and we always strive to take that information and let it guide us going forward.

This year, we've truly aimed to streamline our processes even more, make sure that you have all the information we can possibly give you, and find new ways to organize ourselves and our various materials to make the season flow as smoothly as possible. We look forward to working with you!

