



2ServiceU Inc.

Income Tax – Insurance – Incorporations - Health - Notary –

Immigration – Bookkeeping/Payroll – Other

1247 W Sepulveda Blvd, Torrance, CA 90502

(310) 618-1873 – (562) 843-6694 - (562) 843-9472 – Fax: (310) 289-2112

January 15th, 2019

FREE E-FILE

FREE ESTIMATES

FREE FIRST CONSULTATION



REF: 2018 Tax Return and Other Important Information

We wish you and your family a 2019 full of blessings and success. Congress has passed the largest piece of tax reform legislation in the last three decades, some are effective 1/1/18 and others in 1/1/19. But the best news is that **most tax rates have been reduced**; this means most people have been paying less tax since February 2018 (many taxpayers have already noticed this when they saw they received more money per check stub). In addition to lowering the tax rates, some of the changes in law that affect you and your family include: increasing the standard deduction, suspending personal exemptions, increasing the child tax credit, and limiting or discontinuing certain deductions. As soon as you receive **ALL** of your tax forms please call, text, or e-mail us to set up an appointment. In this page we include some important information not only for your taxes but for your relatives, coworkers, and friends.

1) Taxes:

Our team is ready and eager to provide a professional service to maximize your refund or minimize your tax payment due. We already start preparing tax returns on 01/14/2019; The IRS has announced that on 01/28/2019, they will start accepting tax returns by e-file. The IRS strongly encourages people to file their tax returns electronically to minimize errors. The filing deadline to submit 2018 tax returns for Individuals and C Corporations is Monday, April 15, 2019. The deadline for Partnerships and S Corporations is March 15, 2019. [Click here](#) for more information.

<https://www.irs.gov/newsroom/irs-confirms-tax-filing-season-to-begin-january-28>

If you made more than \$10,400 in 2018, you are required to file a tax return. For a Checklist of information required to prepare your tax return, please visit our website www.2serviceu.com and look for the “2018 TAX” link. **IF YOU WANT TO PRINT/VIEW A COMPLETE CHECKLIST CLICK HERE:** <https://2serviceu.com/wp-content/uploads/2019/01/2ServiceU-Tax-Prep-Checklist-English.pdf>

If you were Self-Employed (BRING THESE ADDITIONAL FORMS):

- 1099-MISC forms (self-employed) along with Self-Employment – Profit & Loss Detail Guide.
- Please visit our website www.2serviceu.com and look for the “2018 TAX” link. **IF YOU WANT TO VIEW A Self-Employment – Profit & Loss Detail Guide CLICK HERE:** <https://2serviceu.com/wp-content/uploads/2019/01/Self-Employed-Profit-and-Loss-customer-sheet.pdf>

What to Expect for Refunds in 2019:

On 1/15/19 the IRS published important information during their shutdown period. [CLICK HERE](#)

<https://www.irs.gov/newsroom/irs-operations-during-the-appropriations-lapse>

The IRS issues more than 9 out of 10 refunds in less than 21 days. Usually they process the tax refunds in less than 21 days but because of the Government shutdown the refund can take more days this year. Also, there’s a chance that your tax return requires further review and the refund may take longer. Please visit the IRS page and click “Where’s My Refund?” at <https://www.irs.gov/refunds/about-wheres-my-refund> Returns with EITC or CTC may have refunds delayed until late February to verify credits. Please see <https://www.irs.gov/individuals/refund-timing> for more information on the timing of your refund.

For those who are Self-employed:

- Issue Forms 1099-Misc to contractors by January 31st, 2019
- Renew the permit with City doing Business, no later than February 28, 2019

Changes to Standard Deduction

The Tax Cuts and Jobs Act nearly doubled standard deductions. Starting in 2018, the standard deduction for each filing status is:

| | | |
|--|---------------|----------------------------|
| Single..... | \$12,000..... | (up from \$6,350 in 2017) |
| Married filing jointly. Qualifying widow(er) | \$24,000..... | (up from \$12,700 in 2017) |
| Married filing separately | \$12,000..... | (up from \$6,350 in 2017) |
| Head of household..... | \$18,000..... | (up from \$9,350 in 2017) |

Personal Exemption Suspended

For 2018, you can’t claim a personal exemption for yourself, your spouse, or your dependents. This means that you will not be able to reduce the income that is subject to tax by the exemption amount for each person included on your tax return (as you have in previous years).

However, changes to the standard deduction amount and Child Tax Credit may offset at least part of this change for most families and, in



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some cases, may result in a larger refund. Despite this huge change it is important to include (on your tax return) all your dependents to qualify for certain benefits like Medical, Stamps, FAFSA, Covered CA, etc.

Child Tax Credit (CTC) changes

If you had a low income in 2018, you may qualify for Federal and State EITC. Please ask us how we can help you with this benefit. Proof of Residency to get this credit on Dependent's Children is required. The child must live with you (or with your spouse if you file a joint return) in the United States for more than half of the year. If you claim the child tax credit (CTC) or additional child tax credit (ACTC), but you are not eligible for either credit and it is later determined that your error was due to reckless or intentional disregard of the CTC or ACTC rules, you will not be allowed to claim either credit for 2 years. If it is determined that your error was due to fraud, you will not be allowed to claim either credit for 10 years. You may also have to pay penalties. Please be aware that **it is important to bring all documents for your dependents**. We can assist you in claiming the right credits and benefits for this year's tax returns.

For 2018, the maximum credit increased to \$2,000 per qualifying child. Up to \$1,400 of the credit can be refundable for each qualifying child as the additional child tax credit. In addition, the income threshold at which the child tax credit begins to phase out is increased to \$200,000, or \$400,000 if married filing jointly. This means that more families with children under 17 years old will qualify for the child tax credit.

Social security number required for child tax credit

Beginning with Tax Year 2018, your child must have a Social Security Number issued by the Social Security Administration before the due date of your tax return (including extensions) to be claimed as a qualifying child for the Child Tax Credit or Additional Child Tax Credit. Children with an ITIN can't be claimed for either credit. If your child's immigration status has changed so that your child is now a U.S. citizen or permanent resident but the child's social security card still has the words "Not valid for employment" on it, ask the SSA for a new social security card without those words. If your child doesn't have a valid SSN, your child may still qualify you for the Credit for Other Dependents (explained below)

New Credit for Other Dependents

A new credit of up to \$500 is available for each of your qualifying dependents other than children who can be claimed for the child tax credit. The qualifying dependent must be a U.S. citizen, U.S. national, or U.S. resident alien. The credit is calculated with the child tax credit in the form instructions. The total of both credits is subject to a single phase out when adjusted gross income exceeds \$200,000, or \$400,000 if married filing jointly. This means that ... you may be able to claim this credit if you have children age 17 or over, including college students, children with ITINs, or other older relatives in your household.

1099 MISC Forms

If you pay more than \$600 annually in rent or services performed by someone who is a contractor or alike, you must complete and file Forms 1099-Misc as well as the form 1096. We can help you complete and file the forms with the IRS. Call us for more info.

ITIN Renewals

All ITINs not used on a federal tax return at least once in the last three years expired on December 31, 2018. Additionally, all ITINs issued before 2013 with middle digits of 73, 74, 75, 76, 77, 81, or 82 (Example: (9XX-73-XXXX) expired at the end of 2018). As a reminder, ITINs with middle digits 70, 71, 72, 78, 79 or 80 that expired in 2016 & 2017 can also be renewed.

Please call us to for information on renewing your ITIN with us.

Based on all previous information and the complexity of tax preparation, you should go with professionals, like our team, to complete your 2018 tax return!!!

2) Covered California (Health Insurance Coverage):

Under the Tax Cuts and Jobs Act, you must continue to report coverage, qualify for an exemption, or report an individual shared responsibility payment for tax year 2018. If you did not have health coverage in 2018, and don't qualify for a health coverage exemption, you may have to pay a penalty when you file your federal tax return. In 2017 and 2018, the penalty increases to the greater of \$695 per adult and \$347.50 per child, plus COLA ("Cost of Living Adjustment"), or 2.5% of your taxable household income minus the federal tax-filing threshold.

Your penalty is based on your income and how many months you didn't have coverage. Generally, the higher your income & the more months you didn't have health insurance, the higher the penalty will be. In 2019, there will be no more penalties for not having health coverage.

We can guide you through the entire process of obtaining health insurance, whether you are new or simply want to renew your health insurance, we are more than happy to assist you in your best choice for Health Insurance Coverage **FOR FREE!!**

3) Dreamers – DACA:

USCIS is not accepting requests from individuals who have never before been granted deferred action under DACA. Due to federal court orders on Jan. 9, 2018 and Feb. 13, 2018, USCIS has resumed accepting requests to renew a grant of deferred action under DACA. The scope of the Feb. 13 preliminary injunction issued in the Eastern District of New York is the same as the Jan. 9 preliminary injunction issued in the Northern District



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of California. Unless otherwise provided in this guidance, the DACA policy will be operated on the terms in place before it was rescinded on Sept. 5, 2017, until further notice. USCIS is not accepting requests from individuals who have never before been granted deferred action under DACA. USCIS will not accept or approve advance parole requests from DACA recipients.

4) Immigration: Citizenship, Family petitions and more

Due to the ever-changing immigration laws, right now it is important for all PERMANENT RESIDENTS (green card holders) to apply for citizenship. Here at 2ServiceU we can help you through the entire process. If you are a recipient of low income, we can also help to obtain a FEE WAIVER to waive the Government fees for the citizenship application.

Family petitions: if you are a Permanent Resident or American citizen, you can submit a petition for your family member. Please complete family petitions before new immigration reforms eliminate the possibilities for family petitions.

Permanent resident renewals and more. Remember that Immigration processes are always changing and require close attention. We can help you with any question regarding your immigration cases. We are Immigration Consultants, get our free advice today. Call us to schedule an appointment.

5) Insurance:

We are proud to offer low rates on all kinds of insurance. Such as Auto, Home, Health, Motorcycle, Commercial (General liability, Workers Comp, Landscapers, Self-employed). Furthermore, we offer events insurance (like quinceañera or party insurance) and more. When you purchase insurance, it is very important that you understand the coverages, limits, deductibles, and all other specifics about your policies. We highly suggest that you come and talk to one of our representatives—this will save you time and money in the future. Let our Insurance experts analyze all your insurance needs in order to tailor the coverages in your insurance policies.



Please feel free to contact us for any question, consultation or preparation.

Thank you for trusting us with all of our services. We are pleased to serve you!!!

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