UP *to-the* MINUTE

TIMELY TAX TIPS

PK Tax Services, L.L.C.

FALL 2016

Individual Tool Tip

Debt consolidation allows you to roll multiple debts into a single new one but knowing if this is right for your situation can be tricky. Questions to consider:

- Am I serious about paying off my debt?
- Is my debt load manageable?
- What type of loan should I get?
- How long will it take to pay off?
- Will this hurt my credit rating?

Debt consolidation doesn't work for everyone because it requires a serious committment.

If you believe that debt consolidation is the right move for you check out our online calculator tool to help you get started. http://cp5.cpasitesolutions.com/~pktaxser/calc-section.php?calc=det06

Business Tool Tip

Small business owners are generally lean with income, but one action that may bring unexpected rewards is supporting a charity and here are 5 reasons why you should:

1. Tax Dedutions
2. Employee Benefits
3. Free Publicity
4. Gain Customer Support
5. Giving Back is Good for Everyone

Picking a charity is not as easy as it seems. Set aside time to research an organization that fits your company culture and values.

For the details visit: www.pktaxservices.com/blog/5-reasons-your-business-should-support-a-charity

Lifestyle News to Use

Desserts and treats are not just for special occasions research has shown us there are actual benefits to enjoying wine and chocolate.

1. May reduce the risk of heart attack and stroke
2. Helps the elderly with brain functioning through blood flow and memory
3. Protects your skin from UV sun damage
4. Potentially slimming and could help lower your BMI
5. Cuts the risk of cataracts

For more on how small amounts of these delicious treats can benefit you visit: http://www.pktaxservices.com/blog/benefits-of-wine-and-chocolate

The Paper Trail
Safeguarding your important documents

The tragedy of the unexpected is just that, it is unexpected. If you are caught without warning, there are a few things you can do to ensure you have important documents in a safe place.

Additional Electronic Set of Records: Taxpayers should keep a duplicate set of records including bank statements, tax returns, identifications and insurance policies in a safe place such as a waterproof container, and away from the original set.

Document Valuables: Photograph or videotape the contents of your home, especially items of higher value. The IRS has a disaster loss workbook, Publication 584, which can help taxpayers compile a room-by-room list of belongings.

Update Emergency Plans: Emergency plans should be reviewed annually. Personal and business situations change over time as do preparedness needs. Make your plans ahead of time and practice them.

Check on Fiduciary Bonds: Employers who use payroll service providers should ask the provider if it has a fiduciary bond in place. The bond could protect the employer in the event of default by the payroll service provider.

IRS Ready to Help: If disaster strikes, an affected taxpayer can call 1-866-562-5227 to speak with an IRS specialist trained to handle disaster-related issues.

Money Saving Tax Tips
Three things you should know as a small business

1. **Know your filing dates.** In 2017, tax returns for calendar-year partnerships are now due March 15 instead of April 18, and tax returns for calendar year C corporations are now due on April 18 instead of March 15.

2. **Max Out Retirement Contributions.** Making a pre-tax contribution up to the maximum amount allowable for 2016 will reduce your taxable income for this year. You have until December 31 to make your 401(k) contributions and until April 15 of next year to make IRA contributions.

3. **Automate and Cloud-Base your Accounting.** Add an app that tracks your expenses by taking pictures of receipts on your smartphone, then uploads them to the cloud. Using cloud-based accounting software to organize your financial information allows you and authorized employees to easily access it securely, wherever you are.

"DEATH, TAXES AND CHILDBIRTH! THERE'S NEVER ANY CONVENIENT TIME FOR ANY OF THEM."

~ Margaret Mitchell

Seven Steps for Transitioning from a Multi-Member to a Single-Member LLC

In the business world, change is inevitable. If members of your multi-member limited liability company (LLC) decide to part ways and sell their business shares to you, leaving you a single-member LLC disregarded entity, there are certain steps you'll need to take and tax consequences you'll want to consider to properly handle the transition.

To properly change from a multi-member LLC to a single-member LLC, you'll need to follow these steps:

1. Obtain a sales agreement.
2. Determine the sale date.
3. Obtain financials through the sale date.
4. Have the final Form 1065 prepared.
5. If hot assets are present, have the Form 8308 prepared.
6. Attach statements.
7. Provide the final Schedule K-1.

Once all other members have left the LLC, be sure to file a new tax election stating that you'd like to be taxed individually.

You'll no longer be taxed as a partnership and will instead be taxed similarly to how a sole proprietorship is taxed.

If you need more guidance and expert advice, the team at PK Tax Services will be happy to guide you through this process. Just call.

Requirements for Health Insurance
Avoid penalties for not having minimum coverage

To avoid a penalty for not having health insurance, you must be enrolled in a plan that qualifies as minimum essential coverage. You won't be subject to a penalty as long as you have coverage under any of the following:

- A health plan bought through the Health Insurance Marketplace.
- An individual health plan bought outside the Health Insurance Marketplace, if it meets the standard for qualified health plans.
- A "grandfathered" individual insurance plan you've had since March 23, 2010, or earlier.
- A job-based plan, including a retiree plan and COBRA coverage.
- Medicare Part A or Part C (Part B coverage by itself doesn't qualify).
- Most Medicaid coverage, except for limited coverage plans.
- The Children's Health Insurance Program.
- A parent's plan.
- A student health plan (check with your school to see if the plan counts as minimum essential coverage).
- A health care plan for Peace Corps volunteers.
- A health care plan through the Department of Veterans Affairs.
- Most TRICARE plans.
- Department of Defense Nonappropriated Fund Health Benefits Program.
- Refugee Medical Assistance.
- State high-risk pools for plan or policy years that started on or before December 31, 2014 (check with your high-risk pool plan to see if it qualifies as minimum essential coverage).

Find much more detail on our website:
www.pktaxservices.com/blog/requirement-for-health-insurance

Using a 529 Plan to Save for College

The cost of a college degree in the United States has increased "12 fold" over the past 30 years, far outpacing the price inflation of consumer goods, medical expense and food. According to Bloomberg, college tuition and fees have increased 1,120 percent since records began in 1978, huffingtonpost.com reports.

With the high cost of post secondary education, §529 plans remain a popular option for those looking to save for a child's future education expenses.

There are two types of §529 plans available: pre-paid tuition plans and college savings plans. Every state sponsors at least one of these types of plans. Eligible educational institutions may also sponsor a pre-paid tuition plan.

There are several perks to setting up this sort of plan. In general, there is no tax due on §529 plan distributions and the contribution limits are higher than a Coverdell Education Savings Account. In addition, you can contribute to a child's plan even after the age of 18.

Get the entire story at: http://www.pktaxservices.com/blog/529-college-savings-plan

Business Highlight
Laurie Neumann

Three long days sorting through a lot of paper, files and collections. "Laurie provided the insight and guidance to accomplish this. While there was still some work to be done when the three days were over, she left me with the knowledge, insight and tools to carry on."

When a 20-year process engineer offers her organizational and productivity knowledge to entrepreneurs and homeowners, the possibilities are limitless. That's exactly what Laurie did in 2011 when she started The Innovative Organizer. Her passion for creating order and simplicity through a six-step process has been helping clients achieve organizational sanity ever since.

Laurie's top organizing tip: "Let go of clutter that isn't adding value to your life." Fear keeps many from letting go, making it more challenging to see results. After all well-organized clutter is still clutter.

She is a member and current president of the Chicago chapter of the National Association of Professional Organizers, a wife of 27 years and mother of three children making organization in her lifestyle a non-negotiable priority.

Request your free Clutter Flow Chart at:
bit.ly/InnovativeOrganizerClutterFlowChart

Life Less Taxing
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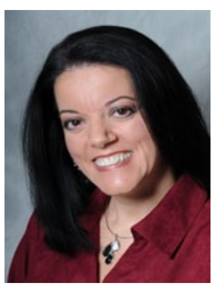
Pat's Picks



Traditions get passed on from one generation to the next. A few ideas to get yours started and keep them going.

1. New Years Nirvana. Celebrate the perfect state of happiness each new year by writing a note to someone telling them one thing they did that made you truly blissful.

2. Child's Chew. It's time the kids cook, so why not skip the jokes on April 1st and let them showcase their culinary skills.

3. Secret Sweetness. If it's your birthday, do something special for someone else without them knowing - their joy will be a gift you didn't expect.

4. Outrageous Olympics. Fitness means fun. Kick off the end of each school year with a party of out-of-the-ordinary races.

5. You Said Yes. Every time you say no to your kids, have them write their request down and put it in a "yes jar." Once a month, let the kids pick an activity from the jar that you must go along with.

Dependent Care Benefits for Day Care Expenses

If you receive dependent care benefits, you may be able to exclude all or part of them from your income. Dependent care benefits include:

- Amounts your employer paid directly to either you or your care provider for the care of your qualifying person while you work.
- The fair market value or care in a facility provided or sponsored by your employer.
- Pre-tax contributions you made under a dependent flexible spending arrangement.

If your employer provides dependent care benefits under a qualified plan, you may be able to exclude these benefits from your income. Your employer will be able to tell you whether your benefit plan qualifies. The amount you can exclude or deduct is limited so if you need to discuss options, call the PK Tax Services Team.

PK Tax Services offers Year-End Tax Planning

At the end of each year, we look back and wonder if we did right with our taxes resulting in a refund or if we are destined for a tax bill come early spring. PK Tax Services wants to help you stop worrying, start planning and discover a life less taxing.

Did you know we offer tax planning and strategies? We can help with gains and losses, deductions and investments and show you how to best capitalize on that year-end bonus you receive.

Health planning and business planning are also services that we offer. We open up the discussion on income tax payments and business equipment expenses, and will even help you decide if a flex spending account is right for you.

Want more, check online at: www.pktaxservices.com/year-end-tax-planning

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