



158 Heininger Street, Butler, Oh, 44822 (419) 883-2473

## S.S.T.S Changes

We hope everyone had a healthy and prosperous year. With the tax season approaching we would like to take this opportunity to thank each and every one of you for your past and continued patronage.

**We have two fax numbers: (419) 775-4471 or (419) 883-2631**

### E-filing begins January 27, 2020

Check [Where's My Refund](#) on IRS.gov or the IRS mobile app, [IRS2Go](#), for your personalized refund status.

The mailbox is located on the right side of the office if you need to drop anything off. With the privacy act there are forms that we need you to sign. If you do drop something off make sure that you sign the consent form that is available on our website ([www.staxservice.com](http://www.staxservice.com)). If you have any questions or would like to schedule an appointment, please feel free to call. Keep in mind that you can always drop your return off at any time.

## 2019 Tax Changes

- The new standard deduction amount. Single taxpayer's standard deduction goes from \$ 12,000.00 to \$ 12,200.00. Married couples filing jointly increases from \$ 24,000.00 to \$ 24,400.00.
- The child tax credit remained the same at \$ 2,000.00 with a child under the age of 17. They also added a new credit of \$ 500.00 for all other dependents.
- For tax year 2019, the seven tax rates stay the same: 10%, 12%, 22%, 24%, 32%, 35% and 37%.
- The Alternative Minimum Tax exemption amount permanently changed in 2018; Single or Head of Household-increased from 70,300 to 71,700; Married filing jointly-increased from \$ 109,400 to \$ 111,700; and Married filing separately-increased from \$54,700 to \$ 55,850.
- The tax year 2019 maximum Earned Income Credit amount is \$6,557 for taxpayers filing jointly who have 3 or more qualifying children, up from a total of \$6,444 for tax year 2018.
- For calendar year 2019, The penalty tax under ACA for not having minimum essential health insurance coverage is zero.
- For tax year 2019 to qualify to contribute to a health savings account you must have a health insurance policy with a deductible of at least \$ 1,350.00 for single coverage or \$ 2,700.00 for family coverage. You can contribute up to \$ 3,500.00 to an HAS if you have single coverage or up to \$ 7,000.00 for family coverage. If you are 55 or older anytime in 2019 you can contribute an extra \$ 1,000.00
- For tax year 2019, the American Opportunity Credit amount is \$ 2,500.00 (100% of the first 2,000.00 and 25% of the next 2,000.00) The Lifetime Learning Credit is 20% of the first \$ 10,000.00 of qualified educational expenses with a maximum credit of \$ 2,000.00. The adjusted gross income amount used by joint filers to determine the reduction in the Lifetime Learning Credit is \$116,000, up from \$114,000 for tax year 2018.

- The new Alimony tax law changed effective with any divorce agreement effective after December 31, 2018 will no longer be tax deductible and no longer taxed as income for the recipient.
- Adoption credit for 2019: You can claim a credit of up to \$ 14,080.00 from income for expenses of adopting an eligible child.
- Residential energy credits for windows, skylights, doors, insulation, heat pumps, air conditioners, water heaters, natural gas furnaces or hot water boilers expired. But the Solar water heating, Solar Electric power, Small wind Systems, Geothermal heat pumps and fuel cell provided a 30% credit for the cost of materials and labor.
- New business deduction included a 20 percent small business deduction. Limited entertainment deduction still allows the 50 percent for meals but entertainment expenses are no longer deductible.
- Mileage rates increased from .54 ½ c/mile to .58 c/mile for business; from .18 c/mile to .20 c/mile for medical and no change of .14 c/mile for charitable.

**Shari & Sons Tax Service, Inc.**