

**Bryan, Russell & Associates, P.C.**  
Certified Public Accountants

January 15, 2017

Dear Client,

Due to changes in the law, the IRS won't issue refunds before February 15, 2017, for returns that claim the earned income credit or the additional child tax credit. This delay applies to the entire refund, not just the portion associated with these credits. Although the IRS will begin releasing refunds for returns that claim these credits on February 15, it is unlikely that your refund will arrive in your bank account or on a debit card before the week of February 27 (assuming your return has no other processing issues and you elect direct deposit).

All Americans are affected by the Affordable Care Act from 2010. One of the requirements is all taxpayers must be covered by health insurance or pay a penalty. Your form 1095 is used to support compliance with the law. If you received a Form 1095 from any issuer or agency we MUST have all copies to prepare your tax return.

All deductions of any amount must have a receipt. Any individual contribution over \$250 must also have an acknowledgement letter from the charity. The letter must be dated by the date we file your return. The letter should show the date and amount of any individual contribution over \$250, and should also state "no goods or services were received in return for the contribution". Remember, if you charged a charitable contribution to a credit card by 12/31/2016 we are able to deduct it in 2016!

If you have read any news in the last year you know that the IRS is looking closely for offshore accounts. If you have an account, retirement account, or business interest with a value over \$10,000 US dollars in a foreign country or a foreign business ownership please let us know as some special rules will apply to you. There are substantial penalties for failure to disclose these items. This rule does not apply to investments held with a US brokerage firm.

If you own rental property, this year the IRS has demanded substantially more information. For each property, we now need, the physical location, the type of property (single-family, duplex, etc), and any Forms 1099 received. If used for personal purposes at any time during the year we will need a record, by property of the number of days rented and the number of days used for personal purposes.

If you have any income from AirBNB, Turo, Etsy, EBay or similar consumer to consumer programs, please advise us. Income from these sources may be taxable; however, few of these sites will provide you with adequate tax information.

The IRS has determined one of the prime targets of data theft is tax preparation companies. This year we attended courses designed to improve the protection of our firm and your confidential data. One of the mandatory changes we are implementing immediately is our new policy on email attachments. Many electronic intruders get in via email attachments and our firm has instituted the national tax professional security advisor's recommendations and implemented a "no-click" e-mail policy. This means we will not open any documents that you have sent us via email unless we have been notified of this attachment. This solution, when combined with our latest security software and other steps makes it extremely difficult for electronic intruders to get through our defenses. This may change the way you will transfer data to us, and vice versa. We now will accept data from you in 4 ways: surface mail; drop-off; fax; or upload to our web portal. We know these changes will cause some inconvenience to you. However, it is the best way to protect your confidentiality and personal information.

There are other changes we will consider this year while preparing your return. Because of these changes we are requesting everyone to try to have their tax information in to us at least two weeks earlier than normal, and no later than March 31, 2017. Please rest assured that we will utilize our best resources to once again provide you with timely, complete and accurate service while keeping your tax burden to the lowest legal amount. Thank you again for your continued support.

Sincerely,

Daniel Muzljakovich  
Owner, CPA