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# Newsletter

We would like to share some very important tax information you may find useful.

## Important Tax Information for February

As part of the Internal Revenue Service and New York State's identity theft controls, beginning with Tax Year 2016 the taxpayer's driver license and state identification number is now required in order to electronically file tax returns. When providing our office with copies of your 2016 tax documents, we will now require a copy of the front and back of your NYS driver's license or non-driver ID card.

When you are ready to give us your 2016 tax documents, here are the best ways to send us copies of your tax documents (retain the originals for your records):

- scan/email to our office
- fax to us at (845) 758-1297
- USPS/UPS/FedEx (copies only, please)
- drop your copies off in person. We have a lockbox on the front porch if you need to drop off before/after business hours.

As a reminder, we are no longer mailing original tax documents back to our clients. If we receive original forms, we will store them on-site in our archives or you can come pick them up.

Remember to let us know if there were any changes in your personal information this past year, such as a new address, marriage, change in dependents, etc.

## Do You Operate an LLC in NYS?

If you have a NYS Limited Liability Company (LLC), you are required to file a Biennial Statement updating information with the Department of State every two years.

Please visit [www.ebiennial.dos.ny.gov](http://www.ebiennial.dos.ny.gov) for more information, and go to [www.email.ebiennial.dos.ny.gov](http://www.email.ebiennial.dos.ny.gov) and provide or update your email address to receive the reminder to file your Biennial Statement every two years.

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## Delay in Federal Refunds

The IRS has announced that federal refunds will likely be delayed until mid to late February this year on those tax returns claiming the Earned Income Tax Credit or the Additional Child Tax Credit. This will allow financial institutions and the IRS more time to help detect and prevent fraud. The IRS reminds taxpayers that many financial institutions do not process payments on holidays or weekends which may also affect the timing of refunds.

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## Do You Have a Household Employee?

You are considered to have a household employee if you have hired someone to do household work. The worker is your employee if you can control not only what work is done, but how it is done. If the worker is your employee, it doesn't matter whether the work is full time or part time or that you hired the worker through an agency or from a list provided by an agency or association. It also doesn't matter whether you pay the worker on an hourly, daily, or weekly basis, or by the job.

Some examples of household workers are: babysitters, caretakers, cooks, health aides, housekeepers, nannies, private nurses, and yard workers.

If you pay cash wages of \$2,000 or more to any one household employee (not including your spouse, your child under the age of 21, your parent, or any employee under the age of 18), then you may need to withhold and pay social security and Medicare taxes.

If you pay total cash wages of \$1,000 or more in any calendar quarter to household employees (not including your spouse, your child under the age of 21, or your parent), then you may need to pay federal unemployment tax, and you may also owe state unemployment tax.

If any of these situations applies to you, please let us know when you drop off your 2016 tax documents so we may review.

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## IRS Warns of 2nd Wave of W-2 Email Scams

The IRS and NYS tax authorities are cautioning businesses to beware of a new email phishing scam using a corporate officer's name asking for employee W-2 forms from payroll and human resources departments at companies. As a reminder, never give personal information to anyone other than a trusted source.

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## Basic and Enhanced STAR Exemptions

If your primary residence is in New York state, you may be eligible for a STAR exemption:

### Basic STAR

- you must own your own home, it must be your primary residence, and the resident owners' and their spouses' income must be less than \$500,000
- based on the first \$30,000 of the full value of a home

### Enhanced STAR

- you must own your home, it must be your primary residence, and you must be age 65 and older with qualifying income of \$86,000 or less for the 2017-2018 school year
- based on the first \$65,500 of the full value of a home

The STAR benefit applies only to school district taxes not county, town or city taxes.

If you have a question about which STAR benefit you are receiving, you should contact your local assessor's office. You can also find additional information and registration forms at <https://www.tax.ny.gov/forms/orpts/star.htm>

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## Office Hours

Our current office hours are Monday-Friday 9 am - 5 pm. If you need to reach us before or after hours, please call our main number (845) 758-0096 and leave a message at Ext 301, and we will return your call during business hours.

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As always, if you have any questions, or need additional information, please contact our office.

**Sincerely,**

Zulch Tax Consultants & Accountants