



# Numeric Strategies, LLC

Tax, Accounting & Financial Solutions

Certified Public Accountants

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Welcome to the New Year!

The IRS announced they will begin accepting 2015 Income tax returns, business and personal, on the 19<sup>th</sup> of January. We have emailed (or US mail) tax organizers to our individual clients and ask that you gather up all your tax related data before sharing it with us. We do not have business organizers and if you need assistance knowing what documents we need, please give us a call (719.481.2623). Normally we want an electronic backup copy of your books and records, regardless if they are in a formal accounting software or simply on an excel spreadsheet plus any formal tax documents your business receives.

Last year we experienced a heavier than normal workflow in the later weeks of tax season due to a delay in tax documents or corrected brokerage statements being received by our clients. This resulted in nearly a full month delay from when clients were able to give us their data to when we were able to complete the applicable forms. If possible, please plan accordingly (allowing for 30 days to process), we will complete as many returns as possible and file extensions for those we are not able to finish by the original due data. If your business needs 1099's filed, Libby and Sharon are working on them in January. They are also preparing W-2's for our current payroll clients, if you need assistance with either forms please let us know as soon as possible.

We have made scheduling appointments even easier, by adding an online option through our website [www.numeric-strategies.com](http://www.numeric-strategies.com). In many cases appointments are not necessary; we can simply receive your information and call if questions arise. We greatly benefit when appointments are made to explain unusual tax events of the prior year, and even when the return will differ from previously filed returns. The vast majority of our appointments are for tax planning or consulting (both financial and book-keeping) for which we are happy to assist with your needs and goals.

I will touch on some of the tax changes that happened late in the year, which will affect all of 2015, but first I would like to mention a few other pieces of information we will now need from clients.

1. State of Colorado taxpayers are now being asked on the Income tax form (opposed to a separate USE Tax return) to declare the amount of both personal or business items purchased that did not include Colorado Sales tax when purchased. Please note: "Willful" non-compliance with the Use Tax is a Class 5 Felony.
2. Colorado state taxpayers are also being asked to provide their driver's license number, state of issue and the issue date.
3. The Affordable Care Act is requiring Form 1095 (A, B or C) as proof of health insurance, please include this form with your tax documents.
4. Identity Theft victims are being issued a PIN number which will be required to file your 2015 taxes (each year the PIN is expected to change), please provide us with that PIN if you have been a victim of fraudulently filed tax returns.
5. In general, many states are projecting longer than usual processing time for state refund checks as they increase their fraud surveillance. Other changes include more paper checks being issued. Illinois filers can expect a delay until March 1<sup>st</sup>, when the IL Dept of Revenue announced they will start processing checks.

[www.Numeric-Strategies.com](http://www.Numeric-Strategies.com)

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6. The IRS is presenting a free webinar on January 21<sup>st</sup> to help taxpayers understand the foreign financial account reporting (for those who have foreign bank or investment accounts).

Late in December, Congress passed several tax extenders and other changes applicable for 2015 and 2016. I have listed a few that may be applicable to several of our clients.

- The deduction for state and local general sales taxes in lieu of a deduction for state and local income taxes was made permanent.
- Various incentives for charitable giving: (1) Taxpayers who are at least 70 ½ years old are allowed to make up to \$100,000 in qualified charitable distributions from IRA plans without including the distribution in income (this is made permanent). (2) S corporation shareholders can now adjust their stock basis using their basis in the property instead of the fair market value when the S corporation makes charitable contribution of property. (3) A change to the deduction for contribution of real property made for conservation purposes.
- Child tax credit has been set at \$3,000 (but not indexed for inflation)
- Tuition Statements from Colleges will now be required to report only qualified tuition and related expenses actually paid (starting in 2016), Currently they can choose between amounts paid and amounts billed. (If you will need your tax return completed for college financial aid purposes please get it into us as soon as possible; we process returns in the order received.)
- The \$250 deduction for elementary and secondary school teachers who spend personal money to buy books, supplies, computer equipment and other materials for use in their classrooms, was not only made permanent but also indexed for inflation.
- Several changes were made to the rules regarding real estate investment trusts (REITs).
- Truncated Social Security numbers in 2016. The act requires employers to include an “identifying number” for each employee, rather than the employee’s Social Security number on Form W-2. The Treasury is expected to issue regulations permitting the use of a truncated Social Security number on Form W-2.

Please let us know if you would like to discuss any of the recent tax changes which may affect you. The latest economic reports suggest the American economy continues to look like it is withstanding the global turmoil better than many other countries. This is positive news, but many in America are still waiting to feel the economic expansion personally. We value your continued business and referrals and will not be increasing our rates with regards to Bookkeeping, Consulting or Tax preparation (with the exception of our software fee which has increased). In order to keep our cost as low as possible we need payment at time of service or at the time of the request (i.e., a retainer).

*Sincerely,*

*Jackie and the entire Numeric Strategies Team  
(Libby, Sharon, Nolan, Scott, Carol, Mark and Christine)*