

December 15, 2016

Hello!

We hope this year has been great for your business. 2016 was another busy year for tax law changes. Changes in tax law and regulations mean that may take longer to prepare returns. Additionally we will be increasing our fees approximately 10% to accommodate for increased fees and time spent on educational seminars.

Once again, we are focusing on corporate, partnership and other business returns right away in tax season as many third party reports for individuals will continue to be delayed. On our web site please find our engagement letter and business tips. Please:

- 1) Print, sign and return the engagement letter with your business materials. Please list the work you want us to do on the engagement letter – including year-end payroll and 1099-MISC reporting as applicable.
- 2) We will need you to review the list of depreciable assets and inform us of any additions and deletions. There is a list in your 2015 tax return. If you would like us to send you a separate copy, email us.
- 3) Review your records of employees and contractors to correct any erroneous addresses. Remember the full legal name should be used – e.g. Joseph not Joe. If your contact information has changed, please inform us. Remember it's not improper to issue a 1099 when not required. Also any payments over \$600 to attorneys need to be reported too.
- 4) The IRS requires that business owners file a Form 1099-Misc by January 31, 2017 for every individual or non-corporate LLC that you paid over **\$600** in 2016 for trade or business services. If you pay a lawyer corporation for trade or business services they must also receive the form. Failure to file the form for 2016 could result in a penalty that could be as much as **\$1,000** per each omitted, late or incorrect 1099-Misc. The 1099-Misc must be provided to the taxpayer by January 31, 2017 and **this year the IRS' copy must also be provided by January 31, 2017** or those penalties will apply. The problem you may encounter is those sub-contractors that don't want you to issue them one, so make sure you get them to fill out a W-9 form **before** you issue them a payment.

We would like to have all details for payroll and contractor reporting by **1/10/17**.

We would like to have information from your accounting systems by **1/31/17**.

You can upload documents QuickBooks, word, excel and other files to our client vault. Please contact office manager Michelle Palmer michelle@ttatax.com if you have any questions about the vault. If you use online QuickBooks, please let us know if the access information has changed.

Many of you have recommended us to others. To you, go our **special** thanks. A recommendation from our clients is the highest approval we can get. We can help when you are looking for a good lawyer, financial planner, or other professional. But, as always we don't sell or share your information with *anyone*. **Our promise to you, our clients:** *We will always make every effort to provide the very best and most accurate service.* Your satisfaction is **extremely** important to us.

Sincerely,

Marion R. Thompson, CPA

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