

2018 Tax Season Update

Despite the government shutdown, the Internal Revenue Service confirmed that it will process tax returns beginning January 28, 2019. Additionally they have indicated that they will provide refunds to taxpayers as scheduled. However much remains to be seen about how the ongoing shutdown of the federal government will affect this year's tax filings including how quickly such refunds will be processed.

Tax Cuts and Jobs Act (TCJA) complicates the picture

The implementation of the federal tax overhaul will further complicate matters for taxpayers and accountants. The 2018 tax year is the first to be subject to the TCJA (passed on late 2017), which brought sweeping changes to the tax code, as well as new tax forms.

IRS employees have been hard at work over the past year to implement the biggest tax law changes the nation has seen in more than 30 years. However, please note that they have **NOT** approved many of the forms required for our clients to file 2018 tax returns electronically and as such all accountants are anticipating significant delays before we can submit tax returns.

Tax filing deadlines are still in effect

Regardless of how IRS operations proceed, taxpayers still need to comply with the filing deadlines. Individual taxpayers in every state but Maine and Massachusetts must file by April 15, 2019; filers in those two states have until April 17, 2019. Individuals who obtain a filing extension have until October 15, 2019, to file their returns but should pay the taxes owed by the April deadline to avoid penalties.

What does this mean for our clients?

As we move forward with the 2018 tax season we ask our clients to have patience and understanding. The tax law changes have resulted in many new tax forms which have not all been released to the public. As a result, we anticipate delays in our ability to complete or submit returns.

Please continue to provide us with your tax information as early as possible. This will give us more time to work through your individual situation as obstacles are resolved.

The net result is that the uncertainty of tax season brings along the possibility that many more tax extension may be needed. Further the increased complexity and requirements of the new tax law will result in larger fee increases for all types of 2018 tax returns. These items will be reviewed and communicated on a client by client basis.

We will continue to communicate information about the 2018 tax filing season as it becomes available to us. Thank you for allowing us to be your trusted advisor.