



Season's Greetings!

It is that time of year once again and we hope that this letter finds you in good health and spirits for the Holiday Season!

It is a very exciting year for TAX IT EZ as we are celebrating **10 Years of Service!** We would like to thank each and every one of you for believing in us and trusting us to assist you with your tax preparation needs. From those of you who have been with us from day one when we had our one room office, to those of you that are new to the TAX IT EZ family and everyone in-between; we thank you for your continued business, referrals and support. We look forward to serving you for many more years to come!

Our office will be open for business on **Tuesday, January 3rd at 10am.** The IRS opens for electronic filing on Tuesday, January 17th, 2012. Please remember that you must have your FINAL documents in order to

file your taxes. Remember if you are a taxpayer that itemizes, has rental activities or has banking transactions such as interest income, dividends, stock sales or other such transactions, these documents typically do not come out until the middle of February. As in previous years, if you file early and an amended tax return is necessary, there will be an additional minimum charge of \$45 per amendment.

There continue to be restrictions surrounding the Refund Anticipation Loan Programs traditionally offered by financial institutions. Currently there will be no RAL's offered by **any** financial institutions as the FDIC is restricting them. Please be aware if you see other businesses offering or advertising Holiday Loans or other types of loans on your taxes, these are NOT RAL's. In most cases, these loans function like a pay day loan and are not tied to your tax return. If you need to use one of these services, please remember that you should not have to use their service to file your tax return. You should have the freedom to file them where you choose as the loan will not be paid automatically with your refund as in previous years. If you have questions on this please call our office and we will be happy to explain in more detail. TAX IT EZ will however continue to offer the ERC or ERDD options through Refund Advantage which gives you the option of having your fees withheld from your refund (if you qualify) and to have the balance of your refund sent to you in the form of direct deposit or in a paper check we issue you here in our office. This process is typically 7-14 days from the time the IRS accepts your return. However, this may be much faster should your return be processed through the new IRS processing system.

There are several new provisions and expiring tax provisions for you to be aware of. So many in fact, that it is impossible to fit them all on this letter. We have made a flyer with these provisions available to you via email or you can stop in our office and pick up one up.

Here are a few keys provisions for you to consider:

Gambling Wins and Losses

There has been some clarification to the IRS's position on the reporting of tracking of gambling winning on Slot Machines. The log must be kept DAILY and NOT PER MACHINE as previously required. If you have gambling winnings and losses, I have a detailed example I can email you or you can pick up in our office.

Schedule E – Rental Activities

On December 20th, 2010 TIGTA recommended that the IRS increase its audit of Rental Real Estate Activities; with specific emphasis of those reporting a loss on those activities. If you have rental properties, you need to make sure that your record keeping and activity logs are clearly accounted for. It is always a good idea to review your record keeping methods and to ensure that you document required items.

Expired Provisions:

Making Work Pay Credit – up to \$400 per tax payer expired December 31st, 2010 so there will be no credit on the 2011 return you are about to file.

Last Chance Provisions: Barring any new tax law changes, these provisions are set to expire December 31st, 2011 so they will be reportable on your 2011 tax return but no further.

State and Local Sales Tax – the ability to claim an itemized deduction for either State and Local Taxes Paid or State Sales Tax Paid. So if you itemize and you purchased large ticket items throughout the year it may wise to add up the sales tax you **actually** paid in 2011 and have that available to us.

Educators \$250 Deduction - This is an above-the-line deduction for teachers with out of pocket expenses of up to \$250. Amounts over this are subject to the Schedule A un-reimbursed work expenses.

TAX CREDITS:

Child Tax Credit – Up to \$1000 per qualifying child is extended for tax years 2011 and 2012. Tax Year 2013 the credit is scheduled to be reduced to \$500.

Although some of these items may change prior to tax season, this is the latest and greatest information we have for you at this time!

As you can see there are many new laws and regulations that affect us this year and next. So "Take it easy with TAX IT EZ" again this year. We look forward to working with you all. Should you have any questions, please contact us at **(509) 467-5992** as we will be happy to answer them for you.

Be sure to look us up on Facebook and LIKE us to receive updates and well as special offers! We also made a webpage so check us out at www.taxitez.com for important information! Remember we have Tax Envelopes available to help you keep your documents in order as you receive them. Stop by and pick one up at the front desk!

Sincerely,

Mike & Angela Murua

Owners, TAX IT EZ

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