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## Tax Season 2017

The deadline for individual income tax returns this year is April 18<sup>th</sup> due to the Monday holiday (Emancipation Day) in Washington, DC on April 17<sup>th</sup>. We have recently completed corporate returns for the March 15<sup>th</sup> deadline and continue to process individual returns. We would like to remind those of you who have not yet gathered your 2016 tax information, you may want to consider having us prepare an extension for you which would extend the filing time until October 17<sup>th</sup>. As long as the tax you owe for the year is paid with the extension, filing for the extension does not have any negative ramifications.

We will take the opportunity in this newsletter to highlight some legislative changes in late 2015

## WHAT'S NEW THIS FILING SEASON

With no year-end legislation to complicate last-minute revision of any IRS forms or instructions, the 2017 filing season for tax year 2016 returns reportedly is moving along more smoothly than in prior years. Nevertheless, there was legislation in 2015 which only became effective for *tax* year 2016.

**Filing Deadlines Form 1120 – Corporations.** The filing deadline for regular C corporations generally is now the 15<sup>th</sup> day of the 4<sup>th</sup> month after the end of the corporation's tax year. **Comment:** S Corporations, however, keep their deadlines as the 15<sup>th</sup> of the 3<sup>rd</sup> month (March 15) to facilitate receipt of Schedule K-1s before the deadline for individuals' Forms 1040. Special rules apply to corporations with a fiscal tax year ending June 30. Those corporations must file by the 15<sup>th</sup> day of the 3<sup>rd</sup> month after the end of their tax year. For this purpose, a corporation with a short

### REMINDER:

Individual Estimated Income Tax Payments are due by April 18, 2017.

that became effective with the 2016 filing season. In addition, the IRS continues to remind seniors to be on alert to phone scams during tax season and has provided some additional information on these scams.

tax year ending anytime in June will be treated as if the short year ended on June 30. **Form 1065 – Partnerships.** For tax years beginning after 2015, the due date for a domestic partnership to file has changed to the 15<sup>th</sup> day of the 3<sup>rd</sup> month following the date its tax year ended.

**Penalties. Failure-to-file penalty.** Attention to the new deadlines is important in light of changes to the failure to file penalty after 2015. The minimum penalty for failure to file a return that is over 60 days late has increased to the smaller of the tax due or \$205, up from \$135.

**Passports.** The IRS may now certify to the U.S. State Department that a taxpayer has severely delinquent tax debt. The *Fixing America's Surface Transportation Act* of 2015 (FAST Act) authorizes the State Department to deny or revoke a passport in certain cases of seriously

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delinquent tax debt.

**Other changes to Form 1040.** (Not an exhaustive list)

**Educator expenses.** The PATH Act added professional development courses and other educator-related expenses to allowable expenses for the \$250/year classroom deduction. **Olympic awards.** If an athlete received Olympic and Paralympic medals and United States Olympic prize money, the value of the medals and the amount of the prize money may be nontaxable. **Child tax credit and additional child tax credit.** If a taxpayer takes the child tax credit or the additional child tax credit when clearly ineligible (using a reckless or intentional disregard standard), the taxpayer may not be able to take these credits for up to 10 years. **AOTC.** If a taxpayer claims the American Opportunity Tax Credit (AOTC) when clearly ineligible (using a reckless or intentional disregard standard), the taxpayer may not be able to take the credit for up to 10 years. **Electronic Filing PIN.** An electronic

Filing PIN, an IRS-generated PIN used to verify a taxpayer's signature on a self-prepared, electronic tax return, is no longer available. Validation of a signature requires the taxpayer to use prior-year adjusted gross income of prior-year self-select PIN. **ITINs.** If a taxpayer was assigned an ITIN before January 1, 2013, or has not used it on a tax return in the last three consecutive years, the taxpayer should renew it.

## Senior Phone Scam Alert

With the 2017 tax season underway, the IRS reminds seniors to remain alert to aggressive and threatening phone calls by criminals impersonating IRS agents. The callers claim to be IRS employees, but are not. These con artists can sound convincing when they call. They use fake names and bogus IRS identification badge numbers. They may know a lot about their targets, and they usually alter the caller ID to make it look as if the IRS is calling. The victims are told they owe money to the IRS and must pay it promptly through a preloaded debit card or wire transfer. If the victim refuses to cooperate, they are often threatened with arrest. In many cases, the caller becomes hostile and insulting. Alternately, victims may be told they have a refund due to try to trick them into sharing private information. If the phone isn't answered, the phone scammer often leave an "urgent" call-back request. The IRS is warning seniors about these aggressive phone calls that can be frightening and intimidating. "The IRS does not do business like that", said IRS Commissioner John Koskinen. They urge seniors to safeguard their personal information at all times. In recent years,

thousands of people have lost millions of dollars and their personal information to tax scams and fake IRS communication. Later this spring, the only outside agencies authorized to contact taxpayers about their unpaid tax accounts will be one of the four authorized under the new private debt collection program. Even then, any affected taxpayers will be notified first by the IRS, not the private collection agency (PCA). The IRS and its authorized private collection agencies will never: (1) Call to demand immediate payment using a specific payment method such as a prepaid debit card, gift card or wire transfer; (2) Threaten to immediately bring in local police or other law-enforcement groups to have the taxpayer arrested for not paying; (3) Demand that taxes be paid without giving the taxpayer the opportunity to question or appeal the amount owed; (4) Ask for credit or debit card numbers over the phone. **Contact the Treasury Inspector General for Tax Administration to report the calls at 800-366-4484 or by using their web page "IRS Impersonation Scam Reporting".**

Company Name  
Street Address  
City, ST ZIP Code



**Customer Name**  
**Street Address**  
**City, ST ZIP Code**