

# Tax & Financial Guide

Business and Personal ACCOUNTING, TAX,  
SOFTWARE & FINANCIAL PLANNING SERVICES

## Child Tax Rebate

The Wisconsin Department of Revenue has decided that taxpayers can receive a \$100 Wisconsin Child Sales Tax Rebate for each child under 18 living at home. To start the rebate process, go to <https://childtaxrebate.wi.gov>

You must apply between May 15, 2018 and July 2, 2018. The qualified child must be under age 18 on 12/31/17, a dependent of the claimant, a Wisconsin

resident, and a U S Citizen. You need your social security number and Wisconsin residency, and the child's social security number and date of birth.

If you want a direct deposit of the rebate, you will need the name of the bank, routing number, account number, and type of account. If you are a nonresident or part-year resident of Wisconsin that moved from Wisconsin in

2017, you could qualify. If the minor child was a dependent of a grandparent or other family member in 2017, they also qualify for the rebate.

## Sales Tax Holiday

Wisconsin has declared a sales tax holiday from August 1, 2018 – August 5, 2018. Sales of certain things will be exempt from the Wisconsin sales tax. Items included are: clothing, if the sales price of any single item is \$75 or less; a computer purchased by a consumer for the consumer's personal use, if the sales price is \$750 or less; school computer supplies purchased by the consumer for the consumer's personal use, if the sales price of any single item is \$250 or less; and school supplies if the sales price of any single item is \$75 or less.

These are the only things that are exempt from Wisconsin sales tax. Other items pertaining to school supplies are still taxable including school art supplies, school instructional materials, clothing accessories or equipment, and items costing more than the amount limitations of each category.

Second Quarter Tax Estimates are due June 15, 2018. If you want us to prepare them for you, we need your income, deductions and withholding amounts in our office by June 7, 2018.

*Please call our office to discuss any of the items in this newsletter that may pertain to you.*



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## Many Tax Code Changes

Numerous changes have been made to the federal and state tax codes. People who itemized previously may not be able to do so this year. Some will still be able to itemize deductions for their state return but not for their Federal return. Tax table changes include revised percentages.

We have all been told how great it will be because we will get more money in our paychecks. To accomplish this, federal withholding tax tables have been changed drastically. We have been checking with clients to see how much their paychecks increased or their federal withholding went down. We also calculated people's tax changes for 2018 based on

2017 income and deductions. We discovered a lot of our clients appear to have too little federal withholding for 2018.

If you want us to check your federal withholding, please provide us with at least your last two pay stubs, and your pay stubs from the end of January and the beginning of February. Include any pension distributions. Please advise us if there are any other changes to your 2018 income, or if you plan to make changes in your 2018 income. We would prefer to review your withholding now than give people bad news when they have their 2018 income tax returns prepared.

*Murphy Financial Services, Inc. web site is at [www.murphyEA.com](http://www.murphyEA.com) If you misplace your newsletters, or your information sheets that I have given you (i.e. contributions, enrolled agents, etc.), you will be able to find them on the web site.*

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**PRIVACY POLICY**  
We do not disclose any non-public personal information about our clients or former clients to anyone, except as instructed to do so by such clients, or required by law. We restrict access to non-public personal information only to IRS or state authorities and we maintain physical, electronic, and procedural safeguards to guard your personal non-public information.

## Reduce Fees

On April 17, 2018 we filed extensions for a lot of clients. If you are one of them, you need to get your information to our office if you haven't already done so.

If you provide us with your information in June, the usual charges will apply. If you get your records to us in July, you will be charged an additional 25% for the tax

preparation. In August, the fee increases to an additional 50%. September fees include an added 75%.

Tax returns are due October 15. I will not be in the office after October 8 thus anyone needing their tax returns prepared in October 2018 will be charged at least double. So get your documents to me by the end of June to save money.

## Deductions Cut

In 2018, miscellaneous itemized deductions are eliminated. Expenses for union dues, uniforms, unreimbursed mileage, investment fees, unreimbursed employee expenses, and business use of home for employees are no longer deductible. But keep the documentation in case congress decides to change the latest tax code.

We never know from one year to another what will be changed, added, or deleted.

The 2018 tax code also made business entertainment costs nondeductible. Writing off show tickets, golf course fees, sporting events and the like, even if taking clients, are no longer tax deductible.

Meals provided for employees at their working facility are now only 50% deductible. Previously they were fully deductible.

## Convenient MFS Parking

Just a reminder that we have convenient parking behind our building. With the nice weather finally here, it seems like our neighbor businesses have more

patrons with more cars and drivers who look longingly at our spacious lot. If you come to our office, please check out our roomy, user-friendly parking lot.

## IRS Scams Abound

There seem to be new scams daily, or at least weekly. The phone calls "from the IRS" are back again. As long as scammers continue reaping money from victims, the calls will continue.

There are also emails that look legitimate. They aren't! They are scams. The IRS doesn't call and they don't send emails. Please be careful. Do not give anyone personal information. Do not give in to these hucksters.

## Fines Revoked

The new law repealed the fines for the Obamacare individual mandate. This only pertains to post-2018. You still must pay the fines for 2017 and 2018.

There are exemptions to save you the penalty. If you apply for insurance and can't afford it, keep documentation showing what it would cost. It may help you qualify to be exempt from the penalty. Without these documents, we will never know if you can be exempt from the penalty.

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