

IRS Rules 2013

This has been an interesting year and as we start to prepare for tax season we want to update you with some IRS rules. Hopefully our advance notice will avoid surprises and also make it easier for you to gather the information we need to help you.

E-Filing -- All returns filed by a preparer must be efiled. There are some limited exceptions, but in almost all cases, if we prepare and file your tax return, the return must be efiled. If you have not efiled in the past, the process includes taxpayer review of the return before filing and signature approval to us before we can efile the return. In the case of a joint return, both taxpayers must sign the efile authorization. We are cognizant of the security issues and will always communicate with you before sending any of your information via email.

1099 Reporting -- For all payments over \$600 for services in a trade or business, a 1099 must be sent to the vendor. To prepare for this requirement, you should be sure to request Taxpayer Identification Numbers for all vendors and make sure your accounting software is set to support 1099 reporting. If you need the IRS form to request the TINs (Form W-9) or would like us to verify that your software will support reporting please let us know.

Preparer Registration -- Anyone who prepares tax information for return preparation must be registered with the IRS. Unless the preparer is a certified public accountant, a lawyer or an enrolled agent, the registry also requires competency testing and annual education requirements. All of the tax preparers at Lux & Associates, PS are CPAs. By passing the CPA exam, we have already demonstrated our competency and we annually attend continuing education as required by our professional licensing.

Tax Release -- Clients often ask us to provide a copy of their tax return to someone other than themselves. The IRS has provided required language for taxpayers to sign if returns are to be given by a preparer to someone other than the taxpayer. If you have previously asked us to provide your return directly to someone other than yourself we will try to include the release with your organizer. Please return the completed release and or let us know if there is someone else who will need a copy of your return with your organizer information.

This list includes only the items that we think will impact the most people. If there is some particular provision or question you have please be sure to call us.