

June 2017

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KOS
NEWS



KOS is celebrating quite a few birthdays this month!

Larry Krupp – June 6th
Ryan Usalis – June 27th
Alex Pekler – June 28th
Ben Darcy – June 29th



Thank you for your dedication!

Jeffrey Butler – 28 years
David Kahn – 19 years
Carol Weaver – 6 years
Maya Gavrilovic – 1 year

Seven Midyear Strategies for Individuals and Businesses

While the climate for tax reform remains uncertain, individual taxpayers and small-business owners are advised to act based on the current laws of the land, unless there is a definite change. Keeping that in mind, here are seven ideas to consider as we head into summer.

1. Harvest capital gains or losses. The maximum tax rate for long-term capital gains is 15%, or 20% for certain high-income taxpayers. When appropriate, you may realize capital gains to benefit from this special tax treatment. Conversely, if it suits your purposes, you might harvest capital losses instead. Capital losses offset capital gains plus up to \$3,000 of ordinary income. Any remaining loss is carried over to the next year.

2. Sweep up charitable deductions. Generally, you can deduct the fair market value (FMV) of property you donate to a qualified charitable organization if you have owned the property for more than a year. For example, if you decide to clean out the basement, attic or garage during the warm weather, you might give gently used clothing and furniture in good condition to charity and then claim a deduction.

3. Secure fast business write-offs. Under Section 179 of the tax code, you may currently deduct the cost of qualified business property placed in service during the year, up to a maximum of \$510,000 in 2017. In addition, you can claim 50% “bonus depreciation” for qualified business property placed in service this year. Note: Other special limits apply to vehicles (see “Facts and Figures”).

4. Support a new college graduate. If your child graduated from college in May, you still may be entitled to a \$4,050 dependency exemption for 2017 if you provide more than half of the child’s annual support. Figure out how much more support you must give to push past the halfway point. This is likely the last time you will qualify for the exemption.

5. Go the distance. If you travel away from home on business, you may deduct your travel expenses—including airfare, lodging and 50% of the cost of meals—if the primary purpose of the trip is business related. But the number of days spent on business versus pleasure is crucial, so pay close attention to your allocation of time.

6. Enjoy deductible entertainment. A small-business owner who entertains clients during the summer may be in line for entertainment deductions. For instance, if you treat a client to a round of golf before or after a “substantial business discussion,” you can deduct 50% of the fees, club rentals, and food and drinks afterward. If the client travels from a distant location, the discussion can take place either the day before or after the golf outing.

7. Send the children to camp. If your child is age 13 or younger and attends a summer day camp, the cost may qualify for the dependent care credit. Generally, the maximum credit is \$600 for one child and \$1,200 for two or more children. However, the cost of overnight camp does not qualify. Situations vary for every person and small business, contact a KOS professional to discuss the best strategy for you.



Ben & Candie Darcy are new grandparents to Hunter James from their son Justin and his wife LV.

Jeff & Betty Butler are new grandparents to Alexander Zev from their son Scott and his wife Rachel.

Larry Krupp's son, Joshua, graduated from the James Madison College at Michigan State University.



5th Annual Women's
Professional Empowerment
Event

Thursday, September 28th
Venue TBD

Speakers this year include:
Katrina Calihan
Tammy Cook
Lee Ann Piano

All women are vibrant speakers that will inspire you to fulfill your potential and achieve more. You definitely want to be a part of this event!

Tap Your KOS Advisor's Knowledge and Experience Throughout the Year

In addition to providing tax related services during filing season, the professionals at KOS are available throughout the year to offer assistance with tax planning and financial decision making. Connecting regularly with your KOS Advisor can help you avoid tax and financial missteps, in addition to ensuring you are making the best decision at the right time even after you have filed your tax return.

Here are a few reasons for keeping in touch with your KOS Advisor all year long:

1. You will stay current with tax planning.

The tax laws concerning income, expenses, and deductions are constantly changing. The changes can occur at both the federal and state levels. They can vary from state to state. If your individual or business income has changed from prior year, a KOS advisor can offer insight as to how those changes will impact your individual and business taxes. Timely tax planning can ensure that you avoid paying more taxes than you need to, and prevent penalties for possible tax underpayment.

2. You will understand how a major life event will affect your finances and taxes.

Major life events may not only impact your budget, but your tax return as well. A KOS advisor can help you plan for financial and tax related changes associated with major life events such as getting married, having a baby, buying or selling a house, retiring, getting divorced, and paying college tuition.

3. You will receive guidance for strategic business decision making.

A KOS Advisor can identify the benefits and costs of certain changes in your business. Are you planning to hire new employees? Do you need to make a major purchase for your business? Are you considering selling your business? A KOS Advisor will help you understand the best timing and options for reaching your goals while reducing costs and tax implications.

There are many other reasons for staying in touch with your KOS Advisor throughout the year. Ongoing communication is important and beneficial to you and your business, and will give you peace of mind overall.

KOS is hiring a Professional Bookkeeper to provide outstanding service to our clients!

This is a hands on position that will work directly with a variety of partners and their clients.

Check out the Careers tab on our web-site to learn more about our firm, this position, our fun culture and apply today!

Facts and Figures

Timely Points of Particular Interest

Luxury Car Limits—The deductions for vehicles used for business driving are limited by the so-called luxury car rules. The IRS, which indexes these limits annually, recently announced the maximum deductions allowed for vehicles placed in service in 2017. For passenger vehicles, the maximum deduction is \$11,160, including 50% bonus depreciation. The limit for trucks and vans, including bonus depreciation, is \$11,560.

Living Wills—A living will is a legal document that specifies your intentions concerning medical treatment in the event that you become mentally or physically impaired or terminally ill. The primary purpose is to address health care concerns that might arise should you ever become incapable of making those decisions. This is helpful to those who make your end-

IRS Offers Tips for Disaster Preparedness

IRS Special Edition Tax Tip 2017-08

In anticipation of the start of hurricane season, the IRS has released a number of tax tips, reminders and other advice to help taxpayers cope with natural disasters and similar emergencies.

Although the IRS will often extend filing deadlines and generally offer emergency hot-line accessibility, the burden of substantiating claim eligibility and other requirements found with the tax laws is ultimately placed upon taxpayers' shoulders.

By taking a few steps before a disaster strikes, taxpayers can reduce their stress when it comes time to file claims or rebuild after a devastating event.

Here are some things to consider:

- **Update Emergency Plans** — Because a disaster can strike any time, be sure to review emergency plans annually. Personal and business situations change over time, as do preparedness needs. Make plans ahead of time and be sure to practice them.
- **Create Electronic Copies of Documents** — Taxpayers should keep a duplicate set of key documents including bank statements, tax returns, identifications, and insurance policies in a safe place, separate from the original set. This may be easy to accomplish since many financial institutions provide statements and documents electronically and make them available on secure internet sites. Even if original documents are available only on paper, scan them into an electronic format and store them on DVD, CD or cloud storage.
- **Document Valuables** — It's a good idea to photograph or videotape the contents of their residences, especially items of higher value. Documenting these items ahead of time will make it easier to claim insurance and tax benefits after a disaster strikes. Photographs can help prove the fair market value of items for insurance and casualty loss claims. The IRS has a disaster loss workbook, [Publication 584](#), which can help taxpayers compile a room-by-room list of belongings.

Tax Opportunity for Renting out Your Vacation Home

If you own a vacation home that you and your family use personally, there is a unique tax window of opportunity for short-term rentals. Generally, income that you receive for the rental of your vacation home must be reported on your federal income tax return. However, if you rent out the property for only 14 days or less per year, you do not have to report any of the rental income. IRS Publication 527, Residential Rental Property (Including Rental of Vacation Homes), is available at IRS.gov. The booklet offers more information about rental property, including special rules about personal use and how to report rental income and expenses. For more information, contact a KOS professional at 847-580-4100.