

The earned income tax credit can put money in taxpayers' pockets

The [earned income tax credit](#) benefits working people with low-to-moderate income. Last year, the average credit was \$2,445. EITC not only reduces the amount of tax someone owes, but may also give them a refund, even if they don't owe any tax at all.

Here are a few things people should know about this credit:

- Taxpayers may move in and out of eligibility for the credit throughout the year. This may happen after major life events. Because of this, it's a good idea for people to find out [if they qualify](#).
- To qualify, people must meet certain requirements and file a federal tax return. They must file even if they don't owe any tax or aren't otherwise required to file.
- Taxpayers qualify based on their income, the number of children they have, and the filing status they use on their tax return. For a child to qualify, they must live with the taxpayer for more than six months of the year.

Here's a quick look at the income limits for the different filing statuses. Those who work and earn less than these amounts may qualify.

<i>EITC Income Limits</i>			
<u>Filing Status</u>			
<u>Number of Children</u>	<u>Married Filing</u>	<u>Head of Household</u>	<u>Single</u>
0	\$ 21,370	\$ 15,570	\$ 15,570
1	\$ 46,884	\$ 41,094	\$ 41,094
2	\$ 52,493	\$ 46,703	\$ 46,703
3+	\$ 55,952	\$ 50,162	\$ 50,162

The maximum credit amounts are based on the number of children a taxpayer has. They are the same for all filing statuses:

- Zero children: \$529
- One child: \$3,526
- Two children: \$5,828
- Three or more children: \$6,557

Taxpayers who file using the status married filing separately cannot claim EITC.

More information: [Publication 5334](#) Do I Qualify for EITC?

Michigan has renewed the following credit:

For tax years beginning January 1, 2019, a taxpayer may claim an additional exemption in the tax year for which the taxpayer has a certificate of stillbirth from the department of health and human services as provided under section 2834 of the public health code, 1978 PA 368, MCL 333.2834.

Did you know that the IRS offers informative videos on various tax related topics on YouTube? These videos are provided in English, Spanish, and ASL. Please use the following links to access these videos:

- *www.youtube.com/irsvideos
- *www.youtube.com/irsvideosmultilingua
- *www.youtube.com/irsvideosASL

2019 Tax Organizers

We are preparing to mail out the 2019 tax organizers in December. If you do not receive a paper organizer by the end of December, please contact our office so that we can get one to you.

If you have changed your address during the year, please contact our office by December 2 and give us the updated information so that we can mail your organizer to the correct address.

Other ways to receive your organizer:

1. We can email your organizer to you. Please let us know if this is your preference and to confirm that we have your correct email address.
2. We can provide you with a web-organizer. The web-organizer is completed by you online, and you can upload your source documents to us on the web. Web-organizers are processed through our portal system.

Our Preferred Method!

Bits & Pieces

Sole Proprietor business owners should find out if they can benefit from claiming this deduction

The home office deduction can help sole proprietor business owners save money on their taxes. Taxpayers can take this deduction when they file their taxes if they use a portion of their home exclusively, and on a regular basis, for any of the following:

- As the taxpayer's main place of business.
- As a place of business where the taxpayer meets patients, clients or customers. The taxpayer must meet these people in the normal course of business.
- If it is a separate structure that is not attached to the taxpayer's home. The taxpayer must use this structure in connection with their business
- A place where the taxpayer stores inventory or samples. This place must be the sole, fixed location of their business.
- Under certain circumstances, the structure where the taxpayer provides day care services.

Deductible expenses for business use of a home include:

- Real estate taxes
- Mortgage interest
- Rent
- Casualty losses
- Utilities
- Insurance
- Depreciation
- Repairs and Maintenance

Certain expenses are limited to the net income of the business. These are known as allocable expenses. They include things such as utilities, insurance, and depreciation. While allocable expenses cannot create a business loss, they can be carried forward to the next year. If the taxpayer carries them forward, the expenses are subject to the same limitation rules.

Welcome:



Gina Russell

Gina joined our Otsego office this past summer as a bookkeeper and has been a great addition to our team. She loves to travel, and recently enjoyed a trip to Hawaii.



Crystal Miller

Crystal and Lydia are our receptionists in the Otsego office. They are here to greet you when you arrive, answer the telephones, process all of our incoming and outgoing work, and in general keep us organized.



Lydia Hutchens

Did you know?

In the UK, everyone under the age of 75 pays a [TV license fee](#) of £147. The fee pays for state run radio, print and TV networks like the BBC. If you are legally blind, you only owe half that fee .

Hours:

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Tax season:

M-F 8:00 a.m.—5:00 p.m.
Sat 8:00 a.m.—Noon

Non-tax season:

M-Th 8:00 a.m.—4:00 p.m.

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Non-tax season:

M-Th 9:00 a.m.—5:00 p.m.

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