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Here are some update items for the 2019 tax year:

- **403b/401k and IRA Contributions for 2020.** The 403b/401k maximum is \$19,500. For those over 50 years of age, an additional \$6,500 can be added. The IRA limit is \$6,000, with a catch up of \$1,000 for those over age 50.
- **Standard Mileage allowance 2019.** If you are using the standard mileage allowance for a business use of vehicle, the rate is 58 cents per mile. Mileage for medical is 20 cents per mile.
- If you have health insurance through **Covered California**, you will receive a **1095-A** form. Please bring that form to your tax appointment.

Some reminders and often overlooked issues are:

- If you paid a babysitter or childcare facility, you **must** have **name, address, and social security number or federal ID number**, for the dependent care credit.
- If you paid anyone over \$600 for **business purposes**, which includes materials, you **must** issue a form 1099 before 1/31/2020, and file a form 1096 with the IRS before 2/29/2020.
- All dependents **must** have social security numbers.
- Watch form 1098 (mortgage interest). Only one social security number is on the form. If there are multiple owners, please bring it to our attention. The IRS is cross referencing them, for audit purposes.
- If you are a teacher, we have developed an “**Education Deduction Finder**” in order to help you organize those important deductions. Call and we will send you one immediately.
- If you changed your name, (marriage or divorce) did you inform Social Security concerning these changes? The IRS is now matching Social Security numbers with names on returns.

Tax Cuts and Job Act: Listed below are some of the important provisions of the law. California has not conformed to many of the provisions of the law.

- The personal exemption credit of \$4050 is suspended for tax years 2018-2025
- The standard deduction is as follows:
 - Single or Married Filing Separate is \$12200. **(California is \$4537)**
 - Married Filing Joint or Qualified Widower is \$24400. **(California is \$9074)**
 - Head of Household is \$18350. **(California is \$9074)**
- The itemized deduction for state, local and real estate taxes is limited to \$10,000. **(California is not limited)**
 - The itemized deductions for miscellaneous deductions i.e. Investment expenses, tax preparation fees, unreimbursed employee expenses has been repealed. **(These items are still deductible in California)**
 - The child tax credit is doubled from \$1,000 to \$2,000. **(Federal Only)**
 - The tax rates have been lowered. There are five tax brackets instead of seven.
 - Mortgage interest deduction will no longer include home equity debt.
 - Qualified Business Income (QBI). A 20% deduction is allowed for Schedule C, Sub-Chapter S, some Partnerships and rentals. Many limitations apply.