



STATE & LOCAL TAX NEWSLETTER



National Tax Recovery LLC
(State & Local Tax Services)

State & Local Tax Refund Program identifies and recovers overpaid state and local taxes paid directly to the State through use taxes or tax paid to vendors.

State & Local Tax Audit Assistance Program helps clients to defend and lower their state tax audit assessment.

State & Local Tax Advisory Program helps clients develop and implement tax strategies that will make state and local taxes a controllable expense and explore every legitimate way to limit your tax obligation.

Income Tax Advisory Service gives clients the proper knowledge and expertise needed to interpret the complex and ever changing IRS regulations and laws.

National Tax Recovery, LLC

2080 North State Hwy. 360
Suite 140
Grand Prairie, Texas 75050

(972) 606-4848 (Office)
(972) 606-4859 (Fax)

www.ntrecoveryllc.com

9 Things You Didn't Know Were Tax Deductions

1. Sales Taxes

You have the option of deducting sales taxes or state income taxes off your federal income tax. In a state that doesn't have its own income tax, this can be a big money saver. Even if you paid state taxes, the sales tax break might be a better deal if you made a big purchase like an engagement ring or a car. You have to itemize to take the deduction, but the IRS provides tables to use as a guide.

2. Health Insurance Premiums

Medical expenses can blow any budget, and the IRS is sympathetic to the cost of insurance premiums – at least in some cases. For most taxpayers, deductible medical expenses have to exceed 10 percent of your adjusted gross income to be deducted. However, if you're self-employed and responsible for your own health insurance coverage, you might be able to deduct 100 percent of your premium cost. That gets taken off your adjusted gross income rather than as an itemized deduction.

3. Tax Savings for Teacher

It's the rare teacher who doesn't have to reach into her own pocket every now and then to purchase items needed for the classroom. While it may sometimes seem like nobody appreciates that largesse, the IRS does. It allows qualified K-12 educators to deduct up to \$250 for materials. That gets subtracted from your income, so you can take advantage of it even if you don't itemize.

4. Charitable Gifts

Most taxpayers know they can deduct money or goods given to charitable organizations – but are you making the most of this benefit? Out-of-pocket expenses for charitable work also qualify. For example, if you make cupcakes for a charity fundraiser, you can deduct the cost of the ingredients you used to bake them. It helps to save the receipts or

itemize the costs in case of an audit.

5. Paying the Babysitter

You might be able to deduct the cost of a babysitter if you're paying her to watch the kids while you volunteer to work for no pay for a recognized charity. The federal Tax Court has ruled that it's OK to list the cost of a babysitter as a charitable contribution on your return, if you can document that while she was performing her duties, you were volunteering.

6. Lifetime Learning

The tax code offers a number of deductions geared toward college students, but that doesn't mean those who have already graduated don't get a tax break as well. The Lifetime Learning credit can provide up to \$2,000 per year, taking off 20 percent of the first \$10,000 you spend for education after high school in an effort to increase your education. This phases out at higher income levels, but doesn't discriminate based on age.

7. Unusual Business Expenses

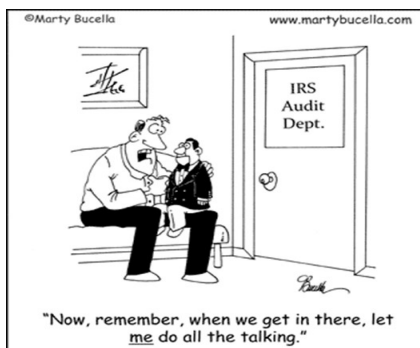
If something is used to benefit your business and you can document the reasons for it, you generally can deduct it off your business income. A junkyard owner, for example, might be able to deduct the cost of cat food that encourages stray cats to hang around and keep the mice and rats away. A bodybuilder got approved to deduct the body oil he used in competition.

8. Looking for Work

Losing your job is traumatic, and the cost of finding a new one can be high. But if you're looking for a job in the same field, you itemize your deductions, and these expenses exceed 2 percent of your gross income, any qualifying expenses over that threshold can be deducted. It may seem like a high bar, but those costs add up quickly – consider deducting the mileage you put on your car driving to interviews and the cost of printing resumes.

9. Self-employed Social Security

The bad news about being self-employed: You have to pay 15.3 percent of your income for social security and Medicare taxes, the portions ordinarily paid by both employee and employer. But there's one small consolation – you do get to deduct the 7.65 percent employer portion off your income taxes.



<https://turbotax.intuit.com/tax-tools/tax-tips/Tax-Deductions-and-Credits/9-Things-You-Didn-t-Know-Were-Tax-Deductions/INF26934.html>

RECENT TAX POLICY LETTER RULINGS & DECISIONS

“Strive not to be a success, but rather to be of value.”
- Albert Einstein

Kansas ~ Income Tax: Passed tax plan will increase personal income taxes

A new law raising income tax rates officially goes into effect on July 1, 2017, but will be retroactive to January 1, 2017. Beginning in 2018, the rates will increase again.

2017 Tax Rates:

Married Couple

- Less Than \$30,000 - 2.9%
- \$30,000 to \$59,999 - \$870 plus 4.9% of earnings over \$30,000
- More than \$60,000 - \$2,340 plus 5.2% of earnings over \$60,000

Single

- Less Than \$15,000 - 2.9%
- \$15,000 to \$29,999 - \$435 plus 4.9% of earnings over \$15,000
- More than \$30,000 - \$1,170 plus 5.2% of earnings over \$30,000

2018 Tax Rates:

Married Couple

- Less Than \$30,000 - 3.1%
- \$30,000 to \$59,999 - \$930 plus 5.25% of earnings over \$30,000
- More than \$60,000 - \$2,505 plus 5.7% of earnings over \$60,000

Single

- Less Than \$15,000 - 3.1%
- \$15,000 to \$29,999 - \$465 plus 5.25% of earnings over \$15,000
- More than \$30,000 - \$1,252.50 plus 5.7% of earnings over \$30,000

<http://www.kwch.com/content/news/Budget-plan-will-increase-personal-income-taxes-431440303.html>

Louisiana ~ Sales and Use Tax: Tax Clearance Required for Resale Certificate and Approval of State Procurement Contracts

A tax clearance from the Louisiana Department of Revenue is required for an issuance or renewal of a sales tax resale certificate and for the approval of certain state contracts for the procurement of personal, professional, consulting, or social services or the purchasing of food,

supplies, or major repairs.

The tax clearance must show that the resale certificate applicant or the proposed contractor is current in filing all tax returns and paying all taxes, interest, penalties, and fees owed to the state of Louisiana.

A tax clearance is not required for purposes of bidding on or solicitation of a procurement contract. New provisions describe the types of state procurement contracts that require a tax clearance prior to approval, list certain contracts that are exempt from the requirement, and set forth the procedures for requesting a tax clearance and disclosing tax information.

The tax clearance provisions shall apply to any request for issuance or renewal of a resale certificate submitted to the Department of Revenue and to any approval or request for approval of a contract submitted to the Central Purchasing Agency on or after October 1, 2017.

http://news.cchgroup.com/2017/06/19/louisiana-sales-use-tax-tax-clearance-required-resale-certificate-approval-state-procurement-contracts/?utm_campaign=Tax+News+Headlines+June+2017&utm_medium=EM-BRANDING&utm_source=TNH+June+19+2017

Texas ~ Multiple Taxes: Deadline for Petition for Redetermination, Refund Claim Hearing Amended

Beginning September 1, 2017, a taxpayer's petition for redetermination of corporation income tax, personal income tax, sales and use tax, or other tax liability computed by the Texas Comptroller must be filed with the Comptroller within 60 days after the date the notice of determination is issued.

Formerly, a petition for redetermination had to be filed within 30 days after the date on which the service of the notice of determination is completed. If a petition for redetermination is not timely filed, the determination is final on the expiration of the above period.

Comptroller Decision on Petition for Redetermination

An order or decision of the comptroller on a petition for redetermination becomes final at the time that a decision or order in a contested case is final under Chapter

2001, Government Code. Formerly, the Comptroller's order or decision became final 20 days after service on the petitioner of the notice of the order or decision.

A taxpayer who is dissatisfied with the decision on a motion for redetermination is entitled to file a motion for rehearing in the time provided by Chapter 2001, Government Code, for filing a motion for rehearing in a contested case.

Request for Hearing on Refund Claim

A person claiming a tax refund is entitled to a hearing on the claim if the person requests a hearing on or before the 60th (formerly, 30th) day after the date the Comptroller issues a letter denying the claim for refund.


A decision or order of the Comptroller following a refund hearing becomes final at the time a decision or order in a contested case is final under Chapter 2001, Government Code (formerly, 20 days after service on the claimant of the notice of the order or decision).

A tax refund claimant who is dissatisfied with the decision on the claim is entitled to file a motion for rehearing in the time provided by Chapter 2001, Government Code, for filing a motion for rehearing in a contested case.

http://news.cchgroup.com/2017/06/14/texas-multiple-taxes-deadline-petition-redetermination-refund-claim-hearing-amended/?utm_campaign=Tax+News+Headlines+June+2017&utm_medium=EM-BRANDING&utm_source=TNH+June+14+2017



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