

**August, 2017**

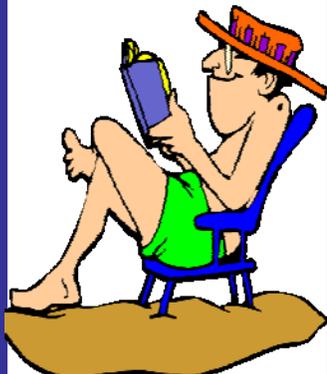
**2017 contribution limits for:**

401(k) Plans: \$18,000  
\$24,000 if age 50 or older

IRAs: \$5,500  
\$6,500 if age 50 or older

Health Savings Accounts:  
\$3,400 for a single plan; plus  
another \$1,000 if age 55 or  
older

\$6,750 for a family plan; plus  
another \$1,000 for each  
spouse age 55 or older



The information given in this newsletter is general in nature and no major income tax decision should be based solely on the ideas or information included.

Readers are urged to contact Strand Boyce O'Shaughnessy, CPAs, Inc. for specific advice regarding decisions with major income tax consequences.



**Tax Planning: What Should You Be Thinking About?**

Well, we wish our crystal ball was in good working order so we could tell you what is going to happen with tax reform this year. We really aren't sure if anything will be passed by Congress affecting 2017 planning. So, for now, we must rely on current law. We encourage anyone with something unusual going on in their tax lives to contact us in order to consider if income tax planning could help avoid unwanted surprises in April. Unusual tax events might include the sale of a home or rental; the sale of stock for a large gain; the exercise of stock options; the termination of a business; or the starting of a new business or investment. You may be required to make estimated tax payments on the extra income. We can help you determine if these payments are required, or if not required, whether it is advantageous to pay in advance in order to gain certain additional tax deductions. Also, the good solid advice of trying to maximize your 401(k) contribution, considering an IRA contribution, or setting money aside in another type of business retirement plan is still valid under current and any potential tax law proposals. It will allow you to defer taxes now and save for your retirement.



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**Interest Free Loans  
aka Gift Loans**

When an interest free loan is made between individuals, there is still an imputed interest factor required by the IRS for tax return reporting purposes. The lender is required to report income related to the imputed interest income, and the borrower, when appropriate, will deduct the imputed interest amount. **SPECIAL TAX TIP:** If the outstanding balance of the gift loan made between individuals is \$100,000 or less, the amount of the taxable imputed interest will not exceed the borrower's net investment income. And, if the net investment income of the borrower is less than \$1,000 the IRS says to consider the taxable imputed interest to be zero.

**Beware: There is a New Twist to  
the Old Telephone Scam**

We've been telling you about telephone scams where the scammer poses as an IRS representative, but now there is a new twist to their story. In the scam, the taxpayer is told that they were sent certified letters that were returned. The caller then threatens to arrest the taxpayer if a payment is not immediately made through a prepaid debit card. The scammer ALSO tells the victim that the purchase of the card is linked to the Electronic Federal Tax Payment System (EFTPS); however, it is not. The EFTPS is a real tax payment system and the scammer is hoping you will recognize the name. However, paying tax through EFTPS is free through the U.S. Department of the Treasury and does not require the purchase of prepaid debit cards. It is an automated system which means you will never receive a phone call from the IRS regarding these payments.



America Counts on CPAs®

As always, we appreciate your referrals. Your confidence in us is greatly valued.

We say it each year, and it is still true today: We enjoy what we do and we enjoy working with you!

### **Strand Boyce O'Shaughnessy, CPAs, Inc.**

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**We appreciate the confidence you have in us. It is not taken for granted.**

#### **Online Tax Payments**

Keep these helpful hints in mind when making your estimated tax payments or balance due payments online:

- Use the primary taxpayer's social security number. The primary taxpayer is simply the taxpayer listed first on the tax return.
- Be very careful to choose the correct tax year for the payment to be applied.
- Be sure you receive your confirmation number or acknowledgement. This is your proof of timely payment.

#### **IRS Is In A Quandary**

Congress passed legislation in 2015 requiring the IRS to revive a program that outsources some tax debt collection to private companies; however, the Treasury Inspector General for Tax Administration has concerns about the Internal Revenue Service's recently revived private debt collection program in light of the ongoing problem of scammers pretending to be IRS representatives calling taxpayers to demand bogus tax debts be paid immediately. Four private debt collection companies are under contract with the IRS. This time the IRS has added some extra safeguards, particularly in light of the ongoing scams, out of fear that taxpayers would confuse the scammers with legitimate tax collection agencies. Although several arrests in connection with telephone scams have been made, the Treasury Inspector General for Tax Administration says they are still receiving reports that between 5,000 and 10,000 people are receiving scam phone calls each week. Stay tuned for more information about how the IRS will implement this program.

