# The Bandy Articles

September 2018

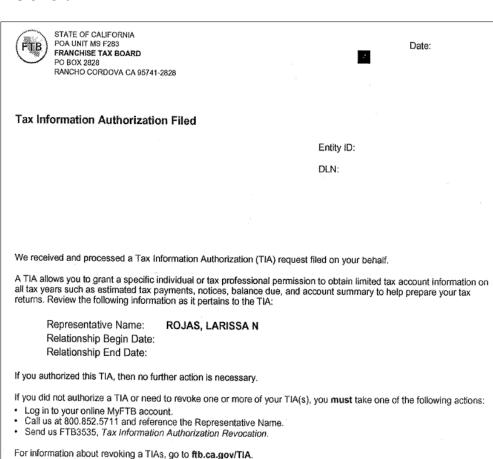
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Please do not worry when you receive this letter.



### Receive this Letter from the Franchise Tax Board?



Please do not worry when you receive this letter. We access Your MyFTB Account through the Franchise Tax Board to see what estimated tax payments have been paid and have been doing so for many years. The FTB has recently adopted a new security feature which sends you this account access notification letter when someone other than yourself gains access to your account.

You may also use our self-service tools through your online MyFTB account to review this TIA. It is your responsibility to

notify us if you are no longer working with your representative(s).

#### Please note:

The following is a list of individuals from our office who may access your account:

- Daniel W. Bandy, CPA
- Janet Merk Mitchell, CPA
- Daniel J. Nazaroff, CPA
- Jodi G. Nemeth, CPA
- Larissa N. Rojas, CPA
- Kristen Phillion, Staff Accountant
- Danelle Dettman, Staff Accountant
- Choua Vang, Staff Accountant
- Feliciano Sarmiento, Staff Accountant

If your letter contains a different name other than the individuals listed above, please call us at (559) 320-2727.

## IRS Warns Taxpayers to Check on Their Withholding

In the United States, we pay our taxes as we go. Every paycheck, your employer withholds some of your money and sends it to the government on your behalf. The amount is based on choices you make and on guidelines the Internal Revenue Service gives your company.

It's a tricky balance. You don't want to pay too much and give the government an interest-free loan. But you also don't want to underpay and end up with a big tax bill in April.

This is a risk for millions of Americans now that the tax code has changed.

The U.S. just underwent its most significant tax overhaulin a generation. Most people are getting a tax cut.

"The perception is that, 'Oh, I'm not going to owe anything, you know, the tax rates went down, so that means I'm going to have a big refund,'" said Jonette Esquivias, director of accounting services at 1-800Accountant.

The reality is more complicated. Yes, tax rates went down. And when that happened, the IRS told companies to withhold less in taxes from people's paychecks. So that tax cut? You're getting it now.

At the same time, the new tax law got rid of and limited numerous deductions you take at tax time.

Which means come April, you may find yourself owing the government money.

"A lot of people will definitely have a nasty surprise when they file their returns," Esquivias said.

The IRS has been warning people across every tax bracket to double check their withholding. There's a calculator on its website where you can plug in your information (<a href="https://www.irs.gov/individuals/irs-withholding-calculator">https://www.irs.gov/individuals/irs-withholding-calculator</a>).

"The IRS has been warning people across every tax bracket to double check their withholding."

### Are you in the American Middle Class?

Remember the table of the national percentile for Adjusted Gross Income in our August newsletter? Well, we've found a calculator to give you even more detailed information about where you stand.

About half of American adults lived in middle-income households in 2016, according to a new Pew Research Center analysis of government data. In percentage terms, 52% of adults lived in middle-income households, 29% in lower-income households and 19% in upper-income households.

Pew Research Center's calculator, updated with 2016 data, lets you find out which group you are in – first compared with other adults in your metropolitan area and among American adults overall, and then compared with other adults in the United States similar to you in education, age, race or ethnicity, and marital status.

Visit this link to use Pew Research Center's calculator: http://www.pewresearch.org/fact-tank/2018/09/06/are-you-in-the-american-middle-class/ "About half of American adults lived in middle-income households in 2016."

# Some Pretty Awesome Quotes from John Wayne!

- I am an old-fashioned honest-to-goodness flag-waving patriot.
- Give the American people a good cause, and there's nothing they can't lick.
- All battles are fought by scared men who'd rather be someplace else.
- When you come slam bang up against trouble, it never looks half as bad if you face up to it.
- Well, there are some things a man just can't run away from.
- Sometimes it isn't being fast that counts, or even accurate; but willing.
- When the road looks rough ahead, remember the 'Man Upstairs' and the word H-O-P-E. Hang onto both and 'tough it out.'
- And Dan's favorite Life is tough, but it's tougher if you're stupid.

"Life is tough, but it's tougher if you're stupid." – John Wayne

### Reminders from Bandy & Associates:

9/17/2018 Extended S Corporation and Partnership Tax Return deadline

9/30/2018 Extended Trust Tax Return deadline

10/15/2018 Extended Individual Tax Return deadline

