



Thank you.

April 2018 Newsletter

We would like to let you know how truly grateful we are that you have chosen to do business with us. We are willing to do whatever it takes to make tax time and accounting easier for you. We can serve you on your schedule whether it be face to face or digitally. At Hohmeier Malas we will tailor our services to meet your needs... Consider it done!

LLC for Rental Property?

More and more individuals are investing in rental homes as a way to capture property that appreciates while receiving cash inflow from rental income. It is not uncommon for most rental property owners to be cash flow positive (revenues collected exceed actual expenses paid on an annual basis). One potential problem is that if there is ever an accident on the property, the owner of the property could be named in a lawsuit resulting from the accident. This means that the assets of the owner could be in jeopardy. Creating a Limited Liability Company (LLC) would be a way to put the property under the protection of the LLC with only the assets in the LLC at risk. In addition, the taxation of the LLC would be pass through income directly to the owner. This is the same as it would be if it were not under an LLC. There is a process that must be followed to convert property to an LLC. Each state charges fees to set up the LLC and annual fees to maintain. In addition, banking requirements could result in current mortgage loans to be closed and a new one opened under the LLC name. If this is something that you are considering, please let us know and we can help.

IL Education Credit K-12.

This is the time of year that parents are registering their children for school in the fall. Most registration and technology fees are now \$150 or greater per student. The Illinois Education credit allows taxpayers to receive a credit for education expenses greater than \$250. This means if you have more than one child you may be able to take advantage of this credit. It only qualifies on the dollars over \$250, but is a 25% credit on every dollar over \$250 with a cap of \$750 in total credits. Every dollar counts!

Tax Changes

With the recent tax changes this year, don't be surprised if things still change. Now that there is a \$10,000 cap on taxes (real estate and state), many states with high tax rates are looking to pass legislation that would help taxpayers with their state taxes. This includes Illinois. Nothing has been passed yet, but Hohmeier Malas is committed to bringing you the most up to date tax changes so that we can help maximize your 2018 return!



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April Tax Tip

Start a tax folder for 2018 now! Add your tax paperwork, donations receipts, school fees paid, etc., to the folder during the year. That way you will not be sifting through files come January!

