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Bartholomew & Company President, Thomas J. Bartholomew, has been named to *Forbes* ' Best-in-State Wealth Advisors list for 2019.

The list was published on Forbes.com , and a condensed listing is available in the current issue of the magazine. The 2019 ranking of the *Forbes* ' Best-in-State Wealth Advisors list was developed by SHOOK Research and is based on in-person and telephone due-diligence meetings to evaluate each advisor qualitatively and on a ranking algorithm that includes client retention, industry experience, review of compliance records, firm nominations, and quantitative criteria (including assets under management and revenue generated for their firms). Overall, 30,000 advisors were considered, and 3,500 (11.6% of candidates) were recognized. The full methodology that *Forbes* developed in partnership with SHOOK Research is available here .

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Due Date Approaches for 2018 Federal Income Tax Returns

Tax filing season is here again. If you haven't done so already, you'll want to start pulling things together — that includes getting your hands on a copy of your 2017 tax return and gathering W-2s, 1099s, and deduction records. You'll need these records whether you're preparing your own return or paying someone else to prepare your tax return for you.

Don't procrastinate

The filing deadline for most individuals is Monday, April 15, 2019. Residents of Maine and Massachusetts have until April 17, 2019, to file their 2018 tax return because April 15, 2019, is Patriots' Day and April 16, 2019, is Emancipation Day.

Filing for an extension

If you don't think you're going to be able to file your federal income tax return by the due date, you can file for and obtain an extension using IRS Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return. Filing this extension gives you an additional six months (to October 15, 2019) to file your federal income tax return. You can also file for an extension electronically — instructions on how to do so can be found in the Form 4868 instructions.

Filing for an automatic extension does not provide any additional time to pay your tax. When you file for an extension, you have to estimate the amount of tax you will owe and pay this amount by the April filing due date. If you don't pay the amount you've estimated, you may owe interest and penalties. In fact, if the IRS believes that your estimate was not reasonable, it may void your extension.

Note: *Special rules apply if you're living outside the country or serving in the military and on duty outside the United States. In these circumstances you are generally allowed an automatic two-month extension (to June 17, 2019) without filing Form 4868, though interest will be owed on any taxes due that are paid after the April filing due date. If you served in a combat zone or qualified hazardous duty area, you may be eligible for a longer extension of time to file.*

What if you owe?

One of the biggest mistakes you can make is not filing your return because you owe money. If your return shows a balance due, file and pay the amount due in full by the due date if possible. If there's no way that you can pay what you owe, file the return and pay as much as you can afford. You'll owe interest and possibly penalties on the unpaid tax, but you'll limit the penalties assessed by filing your return on time, and you may be able to work with the IRS to pay the remaining balance (options can include paying the unpaid balance in installments).

Expecting a refund?

The IRS is stepping up efforts to combat identity theft and tax refund fraud. New, more aggressive filters that are intended to curtail fraudulent refunds may inadvertently delay some legitimate refund requests. In fact, the IRS is now required to hold refunds on all tax returns claiming the earned income tax credit or the refundable portion of the child tax credit until at least February 15.

Most filers, though, can expect a refund check to be issued within 21 days of the IRS receiving a return. However, delays may be possible due to the government shutdown.

A business owner should be aware of some recent federal tax legislation changes. Many of the changes can affect the bottom line for the business and the business owner. A business owner may wish to reconsider some of his or her tax strategies.

Note: The corporate tax provisions have been made permanent, but most other changes affecting individual taxpayers are scheduled to expire after 2025.

Nine Things a Business Owner Should Know After Tax Reform

As a business owner, you should be aware of some recent federal tax legislation changes. Many of the changes can affect the bottom line for the business as well as you as the business owner — some in a good way and some in a bad way.

1. The taxable income of a C corporation is now taxed at a flat 21% rate. Previously, the tax rates generally ranged from 15% to 35% (but some income was taxed as high as 39%). There is no longer a corporate alternative minimum tax.

2. Individual income tax rates have been reduced to 10%, 12%, 22%, 24%, 32%, 35%, and 37%. Net long-term capital gains and qualified dividends continue to be taxed generally at 0%, 15%, and 20%, depending on the amount of your taxable income.

3. A new pass-through income deduction is available to many owners of sole proprietorships, partnerships, and S corporations. This deduction is for up to 20% of qualified business income (QBI) from such business entities. If your taxable income exceeds certain thresholds, the deduction is limited based on factors such as the wages and qualified property of the business. Additionally, individuals with higher taxable incomes may not be able to claim a deduction if the business involves the performance of services in fields that include health, law, accounting, performing arts, consulting, athletics, and financial services, among others.

4. Small businesses have the option of expensing certain purchases under IRC Section 179 rather than depreciating the value of the purchases over time. Up to $1,020,000 (in 2019) of qualifying Section 179 property can now be expensed. The amount that can be expensed is reduced to the extent that qualifying property exceeds $2,550,000 (in 2019). These amounts are indexed for inflation and may increase in future years.

5. When a business purchases an asset, the business can generally deduct the cost of the asset over a period of time. For qualified property purchased after September 27, 2017, first-year bonus depreciation of 100% is available if the property is placed in service before 2023 (2024 for certain property). The 100% allowance is phased down by 20% each year after 2022 (or 2023 for certain property). The 100% bonus depreciation essentially allows business property to be expensed, rather than deducting the cost of depreciable property over a number of years.

6. Under a new provision, an excess business loss cannot be deducted. An excess business loss is equal to the amount by which your total deductions from all of your trades and businesses exceed your total gross income and gains from all of your trades and businesses plus $250,000 ($500,000 in the case of a joint return). As before, losses from a passive trade or business activity may be limited under the passive loss rules. The passive loss rules are applied before this new limitation is determined. Disallowed excess business losses are treated as a net operating loss carryover to future tax years.

7. A net operating loss generally arises when a taxpayer's deductible expenses for a year exceed its gross income. Previously, a net operating loss for the current year could be carried back to prior tax years and forward to future tax years as a deduction against taxable income. The deduction for a net operating loss for a taxpayer other than a C corporation is now limited to 80% (previously 100%) of taxable income computed without regard to this deduction. Even though a net operating loss can no longer be carried back two years, it can still be carried forward for up to 20 years, subject to the deduction limit in the carryover years. Certain farming losses may now be carried back only two years (rather than five years), as well as carried forward for 20 years.

8. A like-kind exchange provision allows property to be exchanged tax-free under certain circumstances. The general like-kind exchange provision now applies only to exchanges of real property held for use in a trade or business or for investment and not to exchanges of personal or intangible property. For example, assume you own your office building without a mortgage. You are interested in moving to a new office building. If you sold your current office building, you would recognize capital gains. If instead you exchanged your current office building for the new office building in a like-kind exchange without receiving any cash or non-like-kind property, you would not recognize any capital gains at the time of the exchange.

9. A deduction is no longer allowed for entertainment expenses. Food and beverages provided during entertainment events are not considered entertainment if purchased separately from the event. Taxpayers may still deduct 50% of the expenses for business meals.

Comparing Financial Aid Packages

To compare financial aid offers, first determine your out-of-pocket costs, or net price, at each school.

With the cost of college continuing to increase year after year, applying to college usually involves applying for financial aid. And for many families, financial aid can be the deciding factor in whether a child attends the college of his or her choice. As a result, it's important to understand how the aid process works so you can compare the financial aid packages your child receives.

What types of financial aid are available?

Financial aid is money distributed primarily by the federal government and individual colleges in the form of student loans, grants, scholarships, and work-study jobs. Loans and work-study must be repaid (through monetary or work obligations), while grants and scholarships do not. A student can receive both federal and college aid. Financial aid can be further broken down into two types of aid: need-based, which is based on your child's financial need, and merit-based, which is based on your child's academic, athletic, or artistic merit.

How is financial need determined?

Financial need is generally determined by looking at your family's income, assets, and household information. The government's aid application, the Free Application for Federal Student Aid (FAFSA), uses a formula known as the federal methodology to calculate financial need. The resulting figure is known as your expected family contribution or EFC, which is the amount of money you must contribute toward college costs in order for your child to be eligible for need-based financial aid. Your EFC remains constant, no matter which college your child applies to. If you filled out the FAFSA this past fall, you received a Student Aid Report outlining your family's EFC.

The Student Aid Report that outlines your EFC is also sent to each college that your child listed on the FAFSA. The financial aid administrator at each school that has accepted your child uses the report to come up with an aid package that attempts to meet your child's financial need.

Keep in mind that your EFC is not the same as your child's financial need. To calculate financial need, subtract your EFC from the cost at any given college. Because tuition, fees, and room-and-board expenses are different at each college, your child's financial need will vary depending on the cost of a particular college.

And just because your child has financial need doesn't necessarily mean that colleges will meet 100% of that need. In fact, it's not uncommon for colleges to meet only a portion of it. If this happens to you, you'll have to make up the gap, in addition to paying your EFC.

What about merit-based aid?

Colleges often use favorable merit aid packages to attract certain students to their campuses, regardless of their financial need. The availability of college-sponsored merit aid tends to fluctuate from year to year and from college to college as schools decide how much of their endowments to spend, as well as the specific academic and extracurricular programs they want to focus on.

How should you compare aid awards?

Sometime in late winter or early spring, your child will receive financial aid award letters that detail the specific amount and type of financial aid that each college is offering. Some colleges may send a letter, some may post the information on a password-protected online site, and some may do both. Make sure to look over the award carefully. If you have questions or your financial circumstances have changed since you filed the FAFSA, contact the college's financial aid office.

To compare offers, first determine your out-of-pocket costs, or net price, for each school by subtracting any grant or scholarship aid (which doesn't need to be repaid) from the total cost of attendance. Next, look at the loan component of each award to see how much, if any, you or your child will need to borrow. Then compare the net price and loan amounts across all colleges.

What if you didn't get the financial aid package you were expecting?

If you'd like to lobby a particular school for more aid, tread carefully. A polite letter to the financial aid administrator followed up by a phone call is appropriate. Your chances for getting more aid are best if you can document a change in circumstances that affects your ability to pay, such as a recent job loss, unusually high medical bills, or some other unforeseen event.

How much should you rely on aid?

While financial aid can play a part in helping pay for your child's college education, you shouldn't rely too heavily on it. Absent a large college grant or scholarship, student loans often make up the largest percentage of the typical financial aid package. It's important to remember that if you mainly rely on loans to finance your child's college education, you and/or your child can end up with a large amount of debt that can become burdensome.

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What records do I need to file my taxes?

Tax season is a good time to get your financial records in order. And whether you are doing it on your own or hiring a tax preparer to assist you, you'll want to make sure that you have all of your information organized to make the process of filing your taxes easier.

Sometime in January you should have received your W-2 form from your employer. Your W-2 form lists your gross income, taxable income, and the amount of state and federal taxes withheld from your pay. It also will show any 401(k), health insurance, and flexible spending account contributions you have made.

Around the same time that you got your W-2, you should also have received 1099 forms from financial institutions for any dividend and interest income. And if you have a mortgage, your mortgage servicer sent you a 1098 form, which contains information on interest paid along with other mortgage-related expenses.

In addition to the above-referenced forms, you'll need to provide your personal information, including your date of birth and Social Security or tax ID number. If you are married and/or have children, you will need their information as well. You should also have documents that list any additional sources of income, such as self-employment, rental, retirement, or unemployment income.

Depending on whether you qualify for any tax deductions or credits, you may also need the following information:

- Records of cash and noncash charitable donations
- Amounts paid toward medical, dental, and vision expenses
- Federal, state, and local taxes paid (including quarterly estimated tax payments)
- Dependent-care provider information
- Receipts for education-related expenses

Make sure that you keep all your financial records in a safe and easy-to-find place. Being organized is not just a good idea during tax time, but is also helpful at other times of the year (e.g., when you apply for a loan or financial aid for college).

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