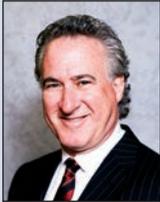


OUR PERSPECTIVES

1st Quarter 2017

Volume 16 Issue 4

Dear Clients and Friends,



2017 has gotten off to some start! Ever since the election, the stock market has risen and not a day goes by where you don't read about or hear people talking about

President Trump. I don't remember a time when so many people have been so vocal about politics. Whatever your political views are, you probably agree this is a first.

He and Congress have yet to put forth changes for the tax code, but they are expected soon. Preliminary reports call for the lowering of tax rates, elimination of estate taxes, and limitations on itemized deductions, among others.

As is usual, when you pick up the newspaper and listen to the radio, you will hear diverse opinions about how the markets will be affected and what the ultimate outcome will be. No one has a crystal ball. It's dependent on so many factors, including what they propose, interest rate changes, and the global political environment, just to name a few things that can make the market shift.

As always, we at the firm will continue to keep you abreast of tax law changes and its effect on you.

Our best wishes for the remaining winter months. We look forward to servicing you well for the rest of tax season and through the year.

*Very truly yours,
Michael S. Lewis, CPA
Managing Partner*

Use Dual Monitors to Increase Productivity

Katie Bewalder, CPA, MST

Technology is part of our everyday lives. Whether it is a smartphone, tablet, laptop, or a desktop computer, odds are that you use technology in some way to manage your daily tasks. According to the Pew Research Center, in the United States, 95% of adults own a cell phone and 78% percent own a computer. If you are like me, then you probably own several devices. There is no denying that technology has become a huge part of our personal and professional lives; and in today's paperless world, there are an increasing number of ways you can leverage technology to increase productivity and efficiency. One of my favorite ways is to switch to a dual monitor set-up.



Below are some of the advantages and disadvantages of adding a monitor to your set-up.

Advantages

View Programs Simultaneously.

Having two monitors allows you to view multiple computer applications simultaneously. For example, on the left hand screen you can pull up a sales report while you keep track of your e-mail on the right hand screen.

Easily Share Data between Applications.

A second monitor makes sharing files between applications much simpler. If you want to add a file from your desktop to an e-mail, you can drag and drop the file instead of going through multiple prompts to insert it into your e-mail. In addition, copying and pasting from one document to another is simplified as you don't need to toggle between them.

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What is a Dual Monitor Set-up?

A traditional computer set-up consists of one computer, keyboard, mouse, and monitor. A dual monitor set-up still uses one computer, but two monitors are used to extend the desktop and increase your visual workspace. Doing so allows you to easily multi-task on the computer, opening programs side-by-side on the two monitors. Once you have tried this, you will immediately notice the limitations when returning to a single screen. Personally, I find myself working at a more much efficient level with multiple monitors; so much so I'm using three!

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4 Things You Should Do Today to Secure Your Data

David Kerner



Cyberthreats are rampant, impacting individuals and businesses of all sizes. Viruses, ransomware, hacking, and data breaches are some of the threats we have to guard against. While small business owners may lack the same resources as large corporations, they are unfortunately still vulnerable to the same IT security threats. Below are four important areas every business should address immediately, regardless of size.

Backup and Recovery Solution. The single most important thing every business should have is a reliable backup and recovery solution. Whether it's due to an external threat such as a virus or an internal situation like human error or a hardware malfunction, when data loss occurs it's instant, disruptive, and typically at the worst possible moment. The ideal place to host your backup is off-site, preferably with a reputable cloud provider. If possible, keep a second copy of your backup stored securely on-site, as this can make the recovery process go faster. Finally, be sure to test your backup file regularly to ensure your ability to get restored quickly.

Software Updates. Keeping your operating systems (OS) up-to-date is a crucial step to keeping your computers safe from attacks. Typically, OS updates contain software security patches that are meant to prevent others from gaining access to your system. The update process can and should be automated; but it is important to periodically check that the updates are installing as they should.

Anti-Virus Solutions. A reputable anti-virus solution should be installed on all computers and servers. If you have only a few computers it might be sufficient to install an anti-virus program on each PC. Many computers actually come with anti-virus software pre-installed. However, it usually comes with a one-year license, after which time you will no longer receive crucial definition updates unless you subscribe. Be aware of these expiration dates. Companies with more than five computers or multiple locations may want to consider security suites or even enterprise level tools which allow administrators to centrally manage and administer the software on all registered computers and devices. In addition to relying on the real-time protection these solutions afford, periodically run scans on every computer, as well as all servers. Many software providers allow this task to be automated in the administrator settings.

Anti-Malware Solution. An anti-malware solution should be considered in addition to anti-virus protection. Malware is an all-encompassing term which stands for malicious software. This could be software used to steal passwords, display annoying ads, display fake messages intended to trick a user into downloading dangerous software, or even software capable of encrypting your data and holding it for ransom. Many of the reputable anti-virus software providers offer an anti-spyware or anti-malware solution along with their anti-virus platform.

Signs You May be Infected. Some things that may indicate an infection include unexpected pop-ups, new toolbars suddenly showing up in your browser, new icons appearing on your desktop, or new computers listed as part of your network. You may also notice your homepage changes without your consent or your computer is suddenly freezing or running much slower than usual. If you suspect an infection, first ensure your anti-virus software is up-to-date and run a full scan. If the problem persists, it may be time to seek professional help. Be aware that continuing to work on an infected computer can actually make things worse, leaving you vulnerable to additional infections and further compromising your data.

Understandably, business owners are always looking for ways to reduce costs. But with the threats that exist online today, skimping on computer security can be a costly mistake. Understand the risks your business may face and secure your network with prevention in mind. ■

“The only place success comes before work is in the dictionary.”

- Vince Lombardi

Use Dual Monitors to Increase Productivity

Reference Information Effortlessly.

How many times have you needed to reference a document while working on something? Instead of toggling between the applications or printing out documents you need to reference, simply open and view it on one screen while actively working in the other program on the second monitor. This saves paper and time.

Comparative Analysis. Dual monitors give you the ability to perform a comparative analysis right on the computer screen. For example, easily compare sales from this year to last year by pulling up both sets of reports and comparing them side-by-side.

Simple to Use. You may require assistance when initially configuring the monitors. However, once set up, nothing special should be required. It

requires no extra software and both Windows and Mac operating systems have the ability to handle dual monitors.

Disadvantages

Cost. Adding another monitor comes with an initial investment. However, prices have dropped significantly in the last few years, so it is relatively easy to find a quality monitor at a relatively low cost. It is likely that you will make up for the cost with improved efficiency.

Reduced Desk Space. Having a second monitor will reduce your desk space. If you struggle for desk space now, there are a few options you can consider. First, realize that both monitors do not have to be the same size; perhaps a smaller second monitor will suffice for your needs. Next, consider where your monitors sit. Wall mounts and desk mounts are available that can hold the monitors above your desk, freeing up valuable real estate.

Increased Usage of Computer

Resources. While running and viewing multiple programs simultaneously is

likely to increase your productivity, it can also put a drain on your computer's resources. Most new computers are equipped to operate dual monitors, but it is possible that an older computer would not be able to handle the additional stress. Be sure to verify that dual monitors will work with your computer before making any investments.

When Meisel, Tuteur & Lewis made the decision to go paperless, they also implemented dual monitors for all professionals at the firm. Ten years later, most of us now have three monitors and some partners even have four! Ask anyone at the firm and they will likely tell you they couldn't imagine working without multiple monitors. If you rely heavily on computers in your business, then a dual monitor set-up is definitely something you should consider. In most cases, the advantages will outweigh the disadvantages. ■

New Jersey Sales Tax Transition Rules

William Schwarz, CPA, MST

As most of you know, on January 1, 2017 the New Jersey sales tax rate decreased from 7% to 6.875%. The New Jersey Division of Taxation has issued a notice that lays out the following rules related to this change.

- **Sales of Tangible Personal Property or Specified Digital Property:** If the tangible personal property or specified digital products are *sold and delivered* before January 1, 2017, the seller must collect tax at the rate of 7%. If the tangible personal property or specified digital products are sold before January 1, 2017, but delivered on or after January 1, 2017, the seller must collect tax at the rate of 6.875%.
- **Leases:** If an agreement for a period of more than six months is entered into in New Jersey *before* January 1, 2017, the tax is imposed at the rate of 7%. Extensions or renewals of such agreements that occur on or after January 1, 2017, are subject to tax at the rate of 6.875%. If an agreement for a period of more than six months is entered into in New Jersey on or *after* January 1, 2017, the tax is imposed at the rate of 6.875%. For an agreement that is **less than six months**, the tax is imposed at the rate of 6.875% for all periods that begin on or after January 1, 2017.
- **Building Materials:** If taxable building materials are delivered on or after January 1, 2017, the sale of the materials is subject to tax at the rate of 6.875%. If the materials are for use in an unalterable building contract entered into before January 1, 2017, the seller must collect tax at the rate of 7%.



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An Inside Look

Firm News

A sincere thank you to everyone who donated to **MT&L's** 2016 Toy Drive. This year's drive benefitted Goryeb Children's Hospital. We were able to donate nearly 200 items, helping to make the holidays a little brighter for all of the children at the hospital.



MT&L was once again a Parent Sponsor to the R Baby Foundation's 10th Anniversary Gala. R Baby's mission is to ensure every emergency room is prepared to give babies lifesaving care and support through improving pediatric emergency care, training, research, treatment, equipment and education.

Employee News

MT&L welcomes bookkeeper **Jennifer Gendelman** to our team. ■

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New Jersey Sales Tax Transition Rules

- **Service and Maintenance Contracts:** If a service or maintenance agreement is entered into on or before December 31, 2016, the seller must charge and collect sales tax at the rate of 7%, regardless of whether or not the agreement covers periods after January 1, 2017. However, if the bill for the service or maintenance agreement is issued on or after January 1, 2017, then the seller must charge and collect tax at the rate of 6.875%. Furthermore, if the service or maintenance agreement is billed periodically (e.g., on a yearly, monthly, or weekly basis) then the seller must charge and collect sales tax at the rate applicable when the bill is issued.
- **Admission Charges:** The tax rate on taxable admission charges occurring on or after January 1, 2017, are subject to tax at the rate of 6.875%. If, however, the tickets are actually sold and delivered before January 1, 2017, the seller must collect tax at the rate of 7%.
- **Membership Fees:** Charges for taxable initiation fees, membership fees, or dues are taxable at the rate of 7% for bills rendered on or before December 31, 2016. Charges for initiation fees, membership fees, or dues are taxable at the rate of 6.875% for bills rendered on or after January 1, 2017. A customer may apply to the Division for a refund of tax if the customer has been charged tax at the rate of 7% for membership fees or dues paid on or before December 31, 2016, and the fees or dues cover periods beginning on or after January 1, 2017.
- **Occupancy:** Taxable occupancies occurring *before* January 1, 2017, are taxable at the rate of 7%. Taxable occupancies occurring on or *after* January 1, 2017, are subject to tax at the rate of 6.875%, regardless of any prior agreement. A customer may apply to the Division for a refund of tax if the customer has been charged tax at the rate of 7% for an occupancy which began on or before December 31, 2016, and has extended past January 1, 2017. ■

Tax Update—What's New for 2017

William Schwarz, CPA, MST

The following is a summary of some of the more significant tax changes that go into effect for 2017.

- **Higher AGI Limit on Medical Expenses for Seniors:** For tax years beginning after December 31, 2016, the Adjusted Gross Income (AGI) limitation percentage on medical expenses taken as itemized deductions of taxpayers who are age 65 or older increases from 7.5% to 10% of AGI. Thus, seniors will only be able to deduct medical expenses to the extent they exceed 10% of AGI.
- **New Due Dates for Partnership and Corporation Returns:** Under the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015, effective generally for 2016 tax year returns filed in 2017:
 - Partnerships, as well as S corporations, must file their returns by the 15th day of the third month after the end of the tax year (March 15th for calendar year filers). Prior returns had to be filed by the 15th day of the fourth month after the end of the tax year.
 - C corporations generally must file by the 15th day of the fourth month (April 15th for calendar year filers) after the end of the tax year. C Corporations previously had to file by the 15th day of the third month following the end of the tax year. However, for C corporations with fiscal years ending on June 30, the filing date continues to be the 15th day of the third month after the end of the tax year. Corporations with short tax years ending anytime in June are treated as if the short year ended on June 30, and they must file by the 15th day of the third month after the end of the tax year. For C corporations with fiscal years ending on June 30, the deferred filing due date won't apply until tax years beginning after December 31, 2025.
- **Safe Harbor for De Minimis Errors on Information Returns and Payee Statements:** In general, except where there is reasonable cause and no willful neglect, a failure to include all of the information required to be shown on an information return or a payee statement (generally W-2s and 1099s), or any inclusion of incorrect information on an information return or payee statement, is subject to a penalty. The amount of the penalty depends on various factors. Effective for returns and statements required to be filed after December 31, 2016, the 2015 PATH Act established a de minimis safe harbor from penalties for the failure to file correct information returns and for failure to furnish correct payee statements. If the error is \$100 or less (\$25 or less in the case of errors involving tax withholding), the issuer of the information return is not required to file a corrected return, and no penalty is imposed. However, if any person receiving payee statements requests a corrected statement, the penalty for failure to file a correct information return and the penalty for failure to furnish a correct payee statement continue to apply in the case of de minimis errors on that statement.
- **New Auto Mileage Rate for 2017:** The rate for business use of an automobile has decreased for 2017 from 54 cents per mile to 53.5 cents per mile.
- **New York MTA Surcharge Rate for 2017:** The New York Metropolitan Commuter Transportation Business Tax Surcharge (MTA) for 2017 increases from 28% to 28.3%. Generally, Corporations doing business within the Metropolitan Commuter Transportation District (MTCDD) are subject to the MTA which is assessed as a percentage of their New York Franchise Tax. The MTCDD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.



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Tax Update

- **Driver License Numbers Required for New York Electronic Filing:** In an effort to decrease identity fraud, New York is requiring taxpayers who have been issued a driver license or state identification card, to provide that information when electronically filing their returns. Taxpayers must provide the ID number, issuing state, issuing date, and expiration date for all licenses or identification cards. If the license/ID is issued by New York, the document number found on the license/ID must also be entered. New Jersey is not requiring this information.
 - **Expiring NJ Urban Enterprise Zones:** Effective December 31, 2016 the following Urban Enterprise Zones (UEZs) expired: Bridgeton, Camden, New Brunswick, Plainfield, and Trenton. Businesses in these zones must now collect the full sales tax of 6.875%. Previously those businesses only had to collect 50% of the New Jersey sales tax rate. ■
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