



HONECK
O'TOOLE

...where people count

3rd Quarter 2016

HONECK O'TOOLE GOES MOBILE:

Check Out Our New Website

We're delighted to announce that our website has been completely updated with a new, mobile-responsive design, so you can easily access www.honeckotoole.com on your phone, tablet or laptop whenever you need it.



Each section of the site has been updated with the most current information about our services and our team, and you can also read dozens of client profiles on there, as always (it's one of our most popular sections).

Built by Honeck O'Toole Clients

To launch this new site design, our team worked with three long-time Honeck O'Toole clients who happen to be experts in website design, programming and content.

Jason Spooner created the design of our new website, as he did with its previous iteration. Jason has strong careers in two areas —the I.T./web development industry and the music industry. As the owner of JasonSpoonerDesign.com, he creates beautiful, high-functioning websites for a wide range of local and national companies. And as a contemporary singer/songwriter and front man for The Jason Spooner Band, he travels across the country performing for avid fans and followers. His band just released a new album, Chemical. You can get the details at <http://jasonspooner.com/>.

Neil Arnold is the web programmer extraordinaire who brought Jason's designs to life on our new mobile-responsive platform — a very complex feat! He has been managing our website for many years now, and we're amazed by his talents and patience as he has trained some of our team members to make site

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revenews

Ideas to help small businesses and individuals maximize income while minimizing taxes.

KNOW WHERE YOU STAND FOR TAX YEAR 2016

If you've made any changes in your life this year (or plan to make changes this year) — we can help you make sure your tax and financial plans are up to date, and minimize your tax burden.

Keep in mind that your taxes can be affected by changes involving marriage, children, a house purchase or sale, a new job, a medical event, an inheritance, renting out your property, owning a business, state and federal tax-law changes, and other circumstances.

Let's review your situation and your plans, and determine whether or not you need to take steps now for the best year-end tax outcome.

Contact us for an appointment: **207-774-0882** or info@honeckotoole.com.

Your Honeck O'Toole Team

QUICK REMINDERS

October 17: If you filed an extension on April 15 to complete your 2015 tax return in October... **this is your final due date.** (You may receive a call or email reminder from us.)

Get a letter from the IRS? Don't panic! These days, the IRS staff is usually quite helpful and will work with you to set up a solution if you owe taxes. We can also help if you're not sure what to do next.



updates as needed. We're proud to have Neil on our web team. You can learn more about Neil at www.neilarnold.com.

And, exciting news: Jason and Neil have formed a new company! See our Client Profiles section on page 4 for details.

Pam Foster is a Certified SEO Copywriter who has written and optimized our web content for more than 20 years. She's also the editor/writer of ReveNEWS, our quarterly newsletter for Honeck O'Toole clients. As a client who turns to us for individual and small-business financial and tax services, she truly understands what our clients need from us, and how to communicate what we offer. Her business website is www.ContentClear.com.

We hope you enjoy our mobile-friendly website and all the information we provide. We'd love to hear what you think, especially if there's anything you'd like to see from us that's NOT included on the website. Contact us with your thoughts: **207-774-0882** or info@honeckotoole.com. 📧



CROWDFUNDING AND TAXES: WHAT YOU NEED TO KNOW

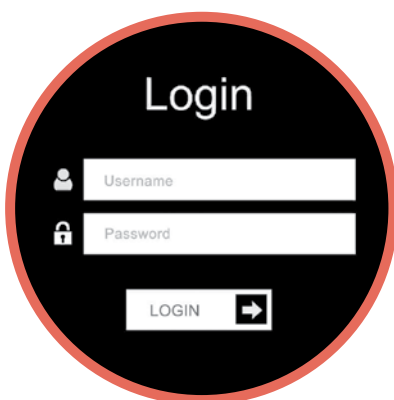
Crowdfunding has become a popular and legitimate way to raise money from friends, family, colleagues, and others. While it can be a great way to get help when you need it, from people who are happy to help, you'll want to make sure you're covered for the tax implications of this approach.

If you're using crowdfunding websites (such as kickstarter.com) to help raise money for starting a business, it's considered income of course. But if you provide in-kind services or products in return for that income, you can deduct the cost of them as if you sold the goods/services outright.

If you're using crowdfunding websites (such as gofundme.com) to raise money for someone's medical needs, funeral costs, or other cause, the contributions are all considered gifts... as long as you set up a separate account for depositing and spending the funds specifically for that cause.

In both cases, be very careful to keep precise records of the income and payments you make from these accounts. Also know that the various crowdfunding websites will charge small fees for each withdrawal.

Need help understanding the tax implications of crowdfunding sites? Contact us for assistance: **207-774-0882** or info@honeckotoole.com. 📧



Imagine the nightmare of a loved one passing away, but the Facebook or LinkedIn page for that person remains online... and people get notified when it's the person's birthday, work anniversary, etc. Or worse,

RECOMMENDED: Include Digital Assets in Your Will!

the person owns an online business and suddenly there's nobody to manage it. And, the person's family members can't access the accounts.

Yikes. It's a very common situation these days, but it can be avoided.

We strongly recommend that you update your will to include instructions for distributing your digital assets, along with login and password information.

This may include your social media profiles and other account profiles, cloud storage sites such as Dropbox, any websites you own, any photo and video websites you're tied to, such as YouTube, and so forth. These assets all have value to your family, whether it's a financial value or sentimental value. When you file your will with your attorney, you're welcome to also send us a copy for safekeeping. 📧

SCARY SCAMS:

WATCH OUT FOR THE LATEST ROBO CALLS AND EMAIL PHISHING SCHEMES

Yes, we're getting close to Halloween season — a time for scary goblins, ghosts, and ghouls. But this summer was pretty scary when it came to a surging number of phone and email scams.

For instance, the IRS issued an alert warning taxpayers, "of an increase in IRS impersonation scams that employ automated phone calls demanding (that victims make) tax payments on iTunes and other gift cards. The IRS cautions that, "Any request to settle a tax bill by putting money on any form of gift card is a clear indication of a scam."



The IRS reported that these fake calls take many forms, including:

- Demanding payment for a non-existent "Federal Student Tax,"
- Soliciting Form W-2 (Wage and Tax Statement) information from payroll and human resource professionals,
- "Verifying" tax return information over the phone, or
- Pretending to be from the tax preparation industry.

Please remember that the IRS will never:

- Call to demand immediate payment over the phone, or call about taxes owed without first having mailed the taxpayer a bill,
- Threaten to immediately bring in local police or other law-enforcement groups to have the taxpayer arrested for not paying,
- Demand that the taxpayer pay taxes without giving the taxpayer the opportunity to question or appeal the amount they say is owed,
- Require that the taxpayer use a specific payment method for the taxes, such as a prepaid debit card, gift card, or wire transfer,
- Ask for credit or debit card numbers over the phone.

The same is true for email: "The IRS doesn't initiate contact with taxpayers by email, text messages or social media channels to request personal or financial information. This includes requests for PIN numbers, passwords or similar access information for credit cards, banks or other financial accounts."

You can report an IRS scam in 2 ways

The best way to protect yourself and others is to notify the IRS and FTC (Federal Trade Commission) right away. Make note of the telephone number or email address used by the scammer to reach you.

- Contact the Treasury Inspector General for Tax Administration on the website www.treasury.gov/tigta/contact_report_scam.shtml (for phone scams) or www.irs.gov/uac/report-phishing (for email scams), or **by calling 800-366-4484**.
- Report it to the FTC using the "FTC Complaint Assistant" on <https://ftc.gov> (add "IRS Telephone Scam" in the notes).

Be careful out there! 🚫

1099 PENALTY REMINDER

This is a reminder that if you own a business, ALWAYS plan on filing IRS Form 1099-MISC if you made any of the following types of payments of \$600 or more (according to the IRS):

- Services performed by independent contractors or others (not employees of your business)
- Prizes and awards and certain other payments
- Rent
- Royalties
- Backup withholding or federal income tax withheld
- Crewmembers of your fishing boat
- To physicians, physicians' corporations or other suppliers of health and medical services
- For a purchase of fish from anyone engaged in the trade or business of catching fish
- Substitute dividends or tax exempt interest payments and you are a broker
- Crop insurance proceeds
- Gross proceeds of \$600 or more paid to an attorney

The penalty for each "skipped" Form 1099 is now \$520. That's for each contractor or vendor, so you can see how it can really add up. Let us know if you'd like assistance in determining when you need to file Form 1099-MISC: **207-774-0882** or info@honeckotoole.com. 📞

DISCLAIMER

Any accounting, business, or tax advice contained in this communication is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties. If desired, Honeck O'Toole would be pleased to perform the requisite research and provide you with a detailed written analysis. Such an engagement may be the subject of a separate engagement letter that would define the scope and limits of the desired consultation services.

CLIENT PROFILE

JASON SPOONER AND NEIL ARNOLD

Northeast Media Collective (NEMC)

Long-time clients Jason Spooner and Neil Arnold have recently joined forces officially as managers of Portland's newest web design, development and new-media firm: NEMC. Jason told us, *"NEMC is comprised of a diverse and experienced collective of independent Maine-based freelance resources led by Neil and I. We add regular high-end specialist resources (photographers, print designers, videographers, social media specialists, etc.) when warranted by the needs of a given project."*

In addition to managing ongoing independent freelance projects for a wide range of companies, NEMC team members have been employed by some of Maine's top IT, new media and marketing firms along with some of the state's most respected private firms and non-profits including Image Works, The Gulf of Maine Research Institute, IDEXX, Maine Magazine, Maine Home & Design, Old Port Magazine, Swardlick Marketing, xwave, TechKnowledge and Diversified Communications, among others.

Jason added, *"In a business climate where paying huge sums for brick and mortar firm-based design, development and consulting is going the way of the dinosaur, NEMC stands out with its 'Freelance Dream-Team' approach and minimal fluff. The result is best-of-breed deliverables consistent with the top firms in the Northeast at freelance rates."*

Keep an eye out for exciting upcoming NEMC projects along with a new website launching this Fall. If you'd like to modernize your web presence, contact Jason & Neil at: j Spooner@maine.rr.com or neilparnold@gmail.com or call 207-408-5292. 📞



KELLEY LEHR AND JOHN DANOS

Greenhut Galleries

Greenhut Galleries is Maine's oldest year-round gallery, and it's been faithfully cultivated and managed by our client Peggy Golden since 1977. In July, Peggy sold the gallery to Kelley Lehr and John Danos — two art lovers who are now living the dream of owning a gallery. We're delighted that they're now clients as well, and we asked Kelley about the transition.

She told us, *"John is a litigator and I was working as a legal assistant. But we were humanities majors — when we travel, we spend most of our time in museums and galleries. John discovered this beautiful gallery for sale online. When we came here in April, we found it's even more gorgeous in person. We loved Portland too, so we decided to go for it. So far, it's been fantastic."*

Kelley and John want everyone to know, *"We plan to preserve what Peggy has accomplished — only adding to without taking away. We've inherited Peg's talented staff, and she is still very much part of the team. We're planning some great invitational shows and will host cultural events that will enrich the community. The changing art scene brings opportunity for growth... and we're determined to meet change with positivity, to adapt creatively, and expand on the gallery's success."*

Kelley added, *"It's rare that a dream business with a nurturing seller and a staff deeply committed to its continued success comes along. We feel so fortunate. We've been very happy with Joyce and Roberta at Honeck O'Toole, too!"* Visit <http://greenhutgalleries.me>. 📍



Call for Assistance Anytime!
We welcome your questions about taxes, financial planning, college planning, making the most of QuickBooks, or anything else related to your money.



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