

# XBlox News for Americans



ISSUE # 1

## Welcome to XBlox Taxes

It's 2016 and time for a new tax year. As a taxpayer, you're probably dreading it... but as a tax preparer, it's my favourite time of the year. Let's look at some of the changes.

XBlox Taxes?

That's right. There's a new name...sort of. XBlox Taxes is a small business owned by myself and 2 partners to prepare income tax returns etc. We have an office at 327 Queenston Road in Hamilton (just 3 blocks west of the Red Hill Valley Parkway) where we share facilities. We advertise under the name XBlox Taxes.... We share a website. We share our knowledge and expertise. But, when it comes to providing our clients our own individual services, we still operate under separate divisions. Dan Worfolk's Tax Solutions survives. I still do all Canadian tax returns.... personal, corporate, trust, small business, rentals, deceased etc. .... U.S. returns for Americans here in Canada, Canadians in the U.S., gambling returns and Canadians who own property in the U.S. etc. And despite the fact that I now have an office, I'm still available to drop by and pick-up your documents.

Why?

After those 13 years at H&R Block, I knew what I wanted to do. Their prices are too high; their service is sub-standard. Their employees don't receive the support needed. So I've spent the last year putting in place everything needed to provide the top quality tax preparation service with which I want to be associated.

Who are those other two?

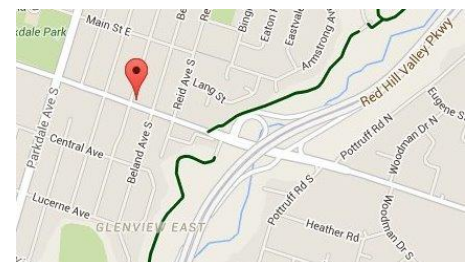
My partners in this new business share my goals. I worked with Rob Barkovic at H&R Block for 7 years. He does all types of personal tax returns but he'll be specializing in small business returns. Rob's also a financial advisor. So if you need investment advice, you're welcome to pick his brain.

Manuela Doolittle-Roehr was with us at Block for 5 years. She's German .... although she's lived in Canada for many years. She has her own small business operating as a division of XBlox Taxes called Phoenix Consulting. She does personal Canadian tax, German tax returns, bookkeeping and German pension consulting. Each summer she returns to Germany to deal with tax matters that require her personal touch



An Office?

We're at 327 Queenston Road in Hamilton L8K 1H7. Just 3 blocks west of the Red Hill Valley Parkway.



Do you still offer home pick up & delivery?

Certainly.... It worked really well last year so why mess up a good thing.

How can I get in touch with you?

Tel. 289-389-8777

Fax 289-389-7555

Email: [info@xbloxtaxes.ca](mailto:info@xbloxtaxes.ca)

Visit our website: [xbloxtaxes.ca](http://xbloxtaxes.ca)

## Absentee Voting Information for U.S. Citizens

### Voting Is Now Easier Than Ever Before

Now all U.S. citizens can receive their blank ballots electronically. Depending on the state in which you are eligible to vote, you may get your ballot by email, fax, or internet download. To start, go to [www.FVAP.gov](http://www.FVAP.gov) to complete a new Federal Post Card Application (FPCA), print and sign the form then return it to your local election office in the United States. We recommend overseas U.S. citizens get in the habit of completing FPCAs each January. You should include your email address on the form so it's easier for your election officials to reach you if there is a problem. If your state delivers ballots electronically by fax only, be sure to include your fax number. If you request electronic delivery and include your email address or fax number, you'll receive your blank ballot 45 days before general and mid-term elections and generally 30 days before special, primary, and run-off elections for federal offices. Most states now have voter registration verification websites, and many offer a means of tracking the status of your registration and ballot.

**IMPORTANT NOTE:** States are no longer required to automatically send ballots to voters for an entire election cycle so everyone who wants to vote in U.S. elections from overseas should send in a new Federal Post Card Application in January of each year.

### Absentee Voting Basics

Absentee voting is a simple 2 step process.

1. Every year, you send in a completed Federal Post Card Application (FPCA) to your local election officials. They confirm your eligibility to vote, and put your name on a list to receive absentee ballots for any elections held that calendar year.

They send you a blank absentee ballot electronically or by mail.

- 2(a). You complete the ballot and send it back so it arrives before your state's ballot return deadline.

- 2(b). Or, if you haven't received your blank ballot 30 days before an election, don't wait any longer; [use the emergency Federal Write-in Absentee Ballot](#) to vote.

## Registration/ Absentee Ballot Request

To vote from abroad, you have to register to vote with local election officials in your state of legal (voting) residence, AND every year you have to request to receive absentee ballots. You can use one form to do both - the Federal Post Card Application (FPCA). Submit a new FPCA in January of each year, every time you move, change your address, change your email, or change your name.

To complete and address the form, go to either the [Federal Voting Assistance Program](#) or the [Overseas Vote Foundation](#) website, where an on-line assistant walks you through the process. You can also pick up an FPCA and a copy of your state's requirements from U.S. embassies and consulates around the world, or from many overseas U.S. citizen, civic or political groups.

You can always return your FPCA by mail. In addition, most states allow you to send in your FPCA by fax or email. (See [Voting and Returning Your Ballot](#) below for options) Consult the online [FVAP Voting Assistance Guide](#) for your state's current instructions. If you need help completing or submitting the form, contact the voting assistance officer at the [closest U.S. embassy or consulate](#).

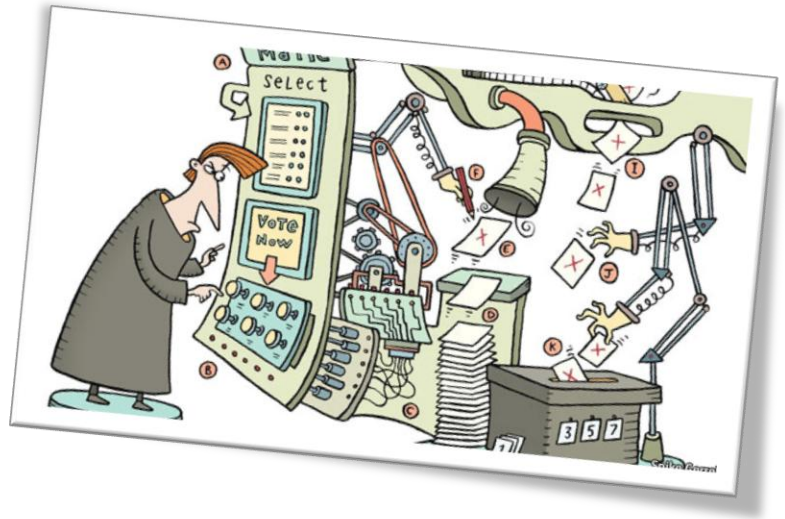
### Receiving Your Blank Absentee Ballot

Forty-five days before the November general elections, your state will either send your blank ballot to you electronically, or mail it to the address you provided on your FPCA.

Ballots are generally mailed out only 30 days before primary, special and run-off elections. Depending on your state and your status abroad, you may receive absentee ballots for all elections or abbreviated ballots for elections for federal offices only.

## Voting and Returning Your Ballot

Complete your ballot carefully and legibly,



and return it to your local election officials before your state's ballot receipt deadline. Send it back as early as possible.

### Overseas voters have a number of options for returning voted ballots:

**Local mail** If you have good mail service to the United States, put your ballot in the mail with appropriate international postage.

**U.S. Embassy Pouch/APO/FPO** You can drop off your ballot request or voted ballot at the nearest U.S. Embassy or Consulate for return to the United States, or you can have someone drop it off for you. It must be addressed to your local election officials and have sufficient postage or be in a postage-paid envelope. A postage-paid envelope is available on the [FVAP website](#). Contact the voting assistance officer or visit the Embassy website for specific instructions.

**Fax, Email, or Internet** A number of states now allow the electronic return of voted ballots. Consult the [Federal Voting Assistance Program's Voting Assistance Guide](#) for electronic transmission options for your state.

**Express Courier Service** If time is short or local mail is unreliable, you can use professional courier services such as FedEx, DHL, or UPS. **NOTE:** FedEx does not deliver to P.O. boxes.

### Using an Emergency Write-in Ballot

Don't be a passive voter and wait for a ballot that may not reach you in time. If you

followed all the right steps but still haven't received your ballot 30 days before the election, you should complete and submit a Federal Write-in Absentee Ballot (FWAB). Contact the Voting Assistance Officer at the [nearest U.S. embassy or consulate](#) for help, or visit [FVAP.gov](http://FVAP.gov) to complete the FWAB using their [online wizard](#). Write in the candidates of your choice, and send it to your [local election officials](#). If your regular absentee ballot arrives later, fill it out and send it back too. Your FWAB will be counted only if your regular ballot doesn't reach your local election officials by your state's deadline. Following this procedure will not invalidate your vote or result in two votes being cast.

## Voting Eligibility

Almost all U.S. citizens 18 years or older who reside outside the United States are eligible to vote absentee for candidates for federal offices in U.S. primary and general

elections. In addition, some states allow overseas citizens to vote for candidates for state and local offices, as well as for state and

## Which States Make You Pay Taxes on Social Security?

Fifty-six percent of households in the United States receiving Social Security checks pay federal tax on those benefits, according to a nationwide [survey by advocacy group The Senior Citizens League](#). "The tax on Social Security income takes new retirees by surprise," said TSCL chairman Ed Cates in a statement.

But there's another surprise: You might not be paying just federal taxes on that retirement income, if you're "unlucky" enough to live in one of the 13 states that also levy their own taxes on Social Security checks. Six of the states tax benefits in the same way the federal government does, while the other seven "determine benefit exemptions based on other factors, such as income or age or as a certain percentage of Social Security income," according to tax policy research organization the [Tax Foundation](#).

local referendums. For information regarding your specific state, visit the [Federal Voting Assistance Program's Voting Assistance Guide](#) or the [Overseas Vote Foundation](#) website. The Overseas Vote Foundation is a non-partisan voter advocacy organization.

For voting purposes, your [state of legal residence](#) is generally the state wherein you resided immediately before leaving the United States, even if you no longer own or rent property or intend to return there in the future. [Twenty-four states](#) and the District of Columbia specifically allow U.S. citizens who have never resided in the United States to register where a parent would be eligible to vote. Direct your questions about eligibility to your [local election officials](#).

## Role of Local Election Officials

All elections in the United States are run at the state and local level. If local election officials have questions about your form, they'll contact you. It's smart to send in your form early (ideally, at the beginning of the calendar year, or at least forty-five days before the election) to provide time to

### Colorado

Social Security benefits are exempt up to a certain level in the Centennial State. If a Colorado household meets certain age requirements, qualifying retirement income can be excluded from income if it is taxable under the federal income tax (it's called the "[pension/annuity subtraction](#)" and is subject to a maximum amount).

### Connecticut

In the Constitution State, the exemption is based on adjusted gross income. [Connecticut](#) lets residents fully exempt their Social Security benefits from state income tax if earnings total less than \$60,000 (for joint filers).

### Kansas

Exemption is based on adjusted gross income in the Sunflower State. [Kansas](#) exempts your Social Security benefits from state income tax if your federal AGI is \$75,000 or less.

### Minnesota

process your request and resolve any problems. Once approved, your name will be put on a list of voters to receive absentee ballots.

## Verifying Your Registration

Most states now have websites where you can verify your registration. If you are unsure of your voter registration status, or want to confirm that local officials have received and approved your registration, check the FVAP website for a [directory of state voter registration verification websites](#). You can also write, email or call your [local election officials](#) directly.

## Voting and Taxes

Voting for candidates for *federal* offices does not affect your **federal or state tax liability**. Voting for candidates for state or local offices could affect your **state tax liability**. Consult legal counsel if you have questions.

The Land of 10,000 Lakes likes counting ... money. Minnesota taxes Social Security benefits.

### Missouri

"Show Me" the money, say Missouri tax collectors. Exemption is based on adjusted gross income. [Missouri](#) permits residents with AGI of under \$100,000 (for joint filers) to deduct all of their taxable Social Security benefits from income.

### Montana

The Treasure State is well named. The state tax exemption on Social Security income is based on adjusted gross income. Some Social Security benefits may be taxable in Montana. You can fill out a [worksheet](#) to figure out by how much the state taxable amount differs from the federally taxable amount. In general, if you earn less than \$32,000 a year (for joint filers), your Social Security check won't be tapped by the state tax man.

### Nebraska

In the Cornhusker State, Social Security is taxable to the extent of federal taxation

### New Mexico

Social Security benefits are taxable in the Land of Enchantment. However, you can



qualify for an exemption from New Mexico state tax if you are 65 years of age or older.

#### North Dakota

North Dakota — the Peace Garden State — taxes Social Security benefits to the extent of federal taxation.

#### Rhode Island

The Ocean State taxes Social Security benefits to the extent of federal taxation.

#### Utah

Employees at the Beehive State's tax commission are as busy as, well, bees. Utah's [treatment of Social Security taxes](#) is similar to Colorado's, except the deduction is administered as a credit rather than an exclusion or subtraction and is phased out by income level.

#### Vermont

The Green Mountain State likes that green "paper." Vermont taxes Social Security benefits to the extent of federal taxation

#### West Virginia

Social Security income is taxable in the Mountain State, but only to the extent that it is included in your federal adjusted gross income.

## The Cost of Renouncing U.S. Citizenship

Over the past several years, the number of U.S. citizens who have chosen to renounce their U.S. citizenship has gone up tremendously, from a total of 932 individuals in all of 2012 to 2,999 in 2013 to 3,415 in 2014 and now 4,279 in 2015. On August 29, 2014 the Department of State published an interim final rule in the Federal Register raising the processing fee for individuals renouncing their U.S. citizenship from \$450 to \$2,350, a staggering 522.22% increase. The Department of State has listed in detail the amount of time, staff involved, interviews, data base searches that are necessary and worked into the fee.

The cause for the increasing citizenship renunciations is largely attributable to much more aggressive global tax reporting obligations imposed by U.S. laws such as the Foreign Account Tax Compliance Act (FATCA). The objective of FATCA is to identify US citizens evading their tax obligations by using financial accounts held outside the U.S. The law requires foreign financial institutions and U.S. withholding agents to implement new procedures for tax reporting and withholding, accounts identification and documentation.

Those individuals seeking to renounce their U.S. citizenship need to be aware that due to a backlog of renunciation appointments, especially at U.S. consular offices in Canada, it can take several months to schedule an appointment.

