

Tax Facts News



Please don't wait until the last minute! Schedule your appointment today.

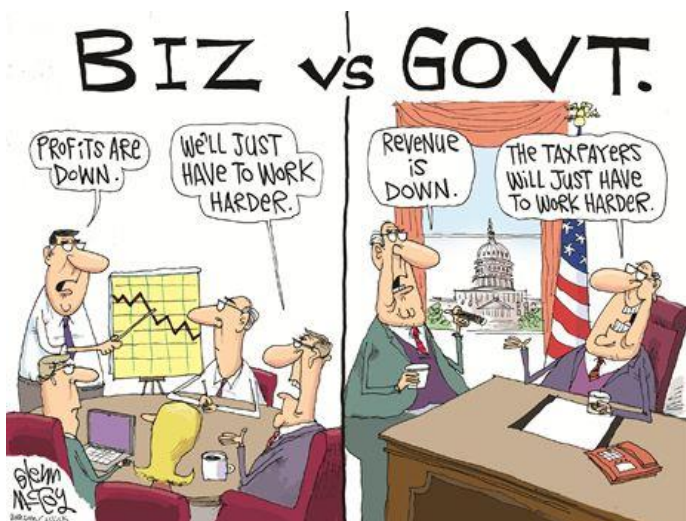
There's an Election this Year!

That means Congress (both Parties) and the President are going to do everything in their power to make you *think* our gov't gives you money. Never mind that it was your (actually your grandkids' at this point) money to begin with! Even now, Congress is debating a bill that could go into effect later this month and change the tax law mid-season. Yup, they are definitely worth every penny we pay in taxes! They should give us an option to send even more than we owe (a bonus? a tip?) They are just **that good** at spending other people's money! OK, **rant off**. Please excuse my satire 😊

The IRS has finally caught up post COVID, and we expect tax season to run smoothly if Congress doesn't do anything stupid like pass a retroactive tax law in the middle of Tax Season. (*I just can't help myself!*) They've even gotten waaay better at answering their phone and their online services (at irs.gov) are much improved. They've made it so much easier to **pay them online** (*go figure...*) that we now recommend doing that vs sending them a check. You can set up your own account at the IRS website to make installment payments of taxes you owe, make sure they received a payment you sent in, and get copies of your prior year tax records (transcripts). Accounts for businesses have recently been added so businesses can now access transcripts and payroll documents as well.

IRS has gotten much better at following up on **identity theft**, but the process is still taking up to a year if you are waiting for a refund. In some cases, IRS suspects it is a fraudulent return when it isn't, and your return ends up in the ID Theft net. It has happened to a few of our clients. We will help in any way we can but truthfully, we can't do much. (Sorry!)

- Clint



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Our 2024 Tax Season hours will be:

Monday - Thursday	8:30-6:00
Friday	8:30-5:00
Saturday	8:30-2:00

Walk-ins are always welcome!

Drop-Offs are encouraged!

If you are a prior client and comfortable that your tax situation hasn't changed much, **you can use our Secure Portal to get us your tax information** and we'll have your taxes prepared in a few days. You can find useful forms at our [website](#) or call us for a personalized organizer.

FYI for 2023

- **Business Mileage rate: \$0.655**
- **Medical/Moving mileage rate: \$0.22**
- **Volunteer mileage for charity rate: \$0.14**
- **Contribution to an IRA max: \$6,500**
Increase to **\$7,500** if over age 50
- **Social Security Wage Max: \$160,200**

What's New for 2023

- IRS online improvements to assist taxpayers
- 1099K reporting delayed another year
- Required Min Distribution age advanced to 73
- Up to \$150 credit for a Home Energy Audit
- Energy Efficient Home Improvement Credit increased to 30% per year
- Energy Efficient Home Improvement Credit extended to any property you own
- New rules for Clean Vehicle Credit
- More business reporting requirements (page 2)

Are you Clean?

There's a credit for that!

The NQPEDMV ("new qualified plug-in electric drive motor vehicle") has a new name (Because no one could remember the acronym for the old name?) The new name is "Clean Vehicle" and there is a credit for that!

Here's what's new:

- Certain companies had already sold lots of cars so you could no longer get a tax credit for buying a Tesla or a Volt (for instance). The new law makes those popular EVs eligible again.
- New rules restrict who the manufacturer is, where the assembly takes place, where the component parts come from, and how much the MSRP can be.
- No credit is allowed if your modified adjusted gross income is more than \$150,000 (\$300,000 for MFJ).
- No credit is allowed if the cost of the car is more than \$55,000. The maximum cost is \$80,000 for vans, SUVs, and pickups.
- "Previously Owned Clean Vehicles" selling for \$25,000 or less qualify for a 30% credit up to \$4,000.



Are you a BOI?

The Corporate Transparency Act was passed as part of the Defense Appropriations Act of 2022. It became effective on January 1, 2024. The CTA is designed to counter cybercrimes, money laundering, child exploitation, and a bunch of other crimes made a whole lot easier with the internet. The government agency that handles cybercrime is FinCen.

FinCen is creating a list of the owners of all companies doing business in the US. If the company is a large operating company, is listed on the stock exchange, is a domestic government agency, is tax-exempt, or is a company that falls under the Banking Act, FinCen already has the information about its owners. A report is not required.

FinCen is requiring smaller companies to report their beneficial owners (who benefits from the company?) Most individual (Schedule C) sole proprietors are exempt, but if your company is listed with the Secretary of State (a corp, S-Corp or LLC), you are required to file a report with FinCen listing the name, address, social security and driver's license numbers of anyone who owns 25% or more of the company. Partnerships must report anyone who owns 10% or more of the company.

Although the report is not part of your tax return, our preparers will be trained to answer your questions.

The report is filed on-line at www.FinCen.gov/BOI

Are you Warm?

There's a credit for that!

Remember the Non-Business Energy Credit that kept expiring and getting extended for years but the amount of the credit never changed? You were allowed a maximum of \$500 lifetime for energy saving things done to your personal residence. The Inflation Reduction Act of 2022 has an updated version.

The new credit is called the "energy efficient home improvement credit".

What qualifies? Any dwelling unit you own will qualify. It is a dwelling unit if it has a bathroom, a place to sleep and a place to cook (so a houseboat or camper, but probably not your car). Improvements made to your rental unit will also qualify.

What is included? The purchase, site preparation, assembly and installation of energy saving property qualifies for the credit, labor included. Look for the energy star rating for windows, doors, roofing, heat and air. Also qualifying for the credit: insulation, solar panels, heat pumps, and windmills installed on any property you own. The improvement must be originally installed by the taxpayer and reasonably expected to remain in use for 5+ years.

How much is the Credit? There is an annual credit limit of \$1200 per year per taxpayer per dwelling unit for energy saving improvements (caulking, insulation, energy star windows and doors) of which \$600 is allowed annually for windows and \$250 for each exterior door (not to exceed \$500 per year). There is an additional \$2,000 annual limit for heat pumps, heat pump water heater, and biomass stoves and boilers.

Calculating the Credit: The credit on all improvements starts at 30% of adjusted cost and then the limits apply. **Example:** You intend to replace 12 windows at a cost of \$350 installed and three exterior doors at a cost of \$900 each. Your credit for the windows is 30% of \$4320 or \$1296. The credit for the doors is 30% of \$2700 or \$810, but the credit is limited to \$600 per year for the windows and \$250 per year for each door, not to exceed \$500. If you have no other improvements for the year, your credit is \$1100. Good planning would have you doing half the windows and 2 doors this year and half the windows and the other door next year since the credit is available each year. You can double the credit if you also replace windows, doors, and insulation on the lake house. Add another \$2,000 credit if you put a heat pump in your house and 30% of the cost of a heat pump water heater in your lake house.

Yay Gov't keeping it simple!

