



November 3, 2023

Dear Clients and Friends,

We completed our move from 407 E. Lantrip St. to **our new office at 1121 N. Longview St.** in June. It is great to have everyone in one place. Many of you have stopped by to see us and tour the new space. We are sending out invitations for an open house between now and year-end. We hope you can stop by.

Just like last year, here are the items we will need:

1. **Estimated Tax Payments:** If you made any, please provide the amounts and dates you paid them. This is one of the main causes for IRS processing delays. We must get this correct, or your return will either be rejected and or you will have to call and prove your identity to the IRS.
2. Copies of your driver's licenses (if married we need both spouses). If they have not expired since we saw you last year, then we do not need them again.
3. If you have minor children at home or children in college, we need proof of residency. This can be a notice from the school, a doctor's bill or a letter from your church or other organization. **Whatever proof you provide, must have your child's name and your address on it.**
4. If you have a new child, congratulations! Also, we will need a copy of their social security card for our file. If we don't have copies of your other children's social security cards, we may request those for our files as well.
5. **Proof of health insurance** is required only if you purchased health insurance through the Marketplace. Then, we must have your **form 1095-A**. Otherwise your return will be rejected, and we will have to re-do it once you provide us with the form.
6. Copies of all W-2's, 1099's and 1098 forms. We cannot accept written amounts; we must enter data from these forms.
7. If the IRS has issued you or your spouse an **Identity Theft Pin** number, we will have to have that, or the IRS will reject your return.
8. **If you have moved, please notify us of the address change.**
9. **If you expect a refund and your bank account has changed, we will need your new banking information.**
10. If you would like an organizer, please give us a call and let us know. If we prepared an organizer for you last year, we will automatically mail one to you.

Signatures for E-Filing authorization. The IRS is not allowing one spouse to sign for the other unless that spouse provides a written power of attorney signed by the other spouse. If only one spouse is coming to pick up your tax return, we must have the sign off back before we can e-file and it must be signed by both spouses. If you need an IRS power of attorney form, please let us know when you come to drop your tax information off and we will gladly provide those to you. That will speed up the process if only one of you comes back to pick up the completed return.

Tax Info for 2023:

1. The standard deduction increased for inflation.

Filing Status	2023
Single	\$13,850
Head of Household	\$20,800
Married Filing Joint	\$27,700
Married Filing Separate	\$13,850

2. For a taxpayer or spouse who is age 65 or over or blind, the following **additional standard deduction** will apply for 2023:

Filing Status	Amount
Unmarried Taxpayer	An additional amount of \$1,850; \$3,700 for taxpayer who was both over 65 and blind.
Married Taxpayer	An additional amount of \$1,500; \$3,000 for each spouse that are both over 65 and blind.

3. For 2018-2025 the personal exemption is eliminated.

4. Business Mileage rates are:

2023	
\$0.655/mile	

5. Depreciation for Business Assets – No Change

Bonus depreciation pertains to qualified property with a useful life of 20 years or less. The applicable percentages are subject to a revised phasedown schedule that is shown below:

- 80% for property placed in service during calendar year 2023;
- 60% for property placed in service during calendar year 2024;
- 40% for property placed in service during calendar year 2025;
- 20% for property placed in service during calendar year 2026.

6. Section 179 Depreciation Rules

The maximum annual deduction allowed for qualified property has increased to \$1,160,000 in 2023. Phase out of the deduction starts at \$2,890,000 in fixed asset additions. This deduction is limited to your net profit.

7. Estate Taxes

For taxpayers dying in 2018 through 2026, Form 706 must be filed by the executor for the estate of every US citizen or resident whose gross estate and adjusted taxable gifts and specific exemption are more than \$11,180,000 (indexed for inflation each year going forward). The amount for 2023 is \$12,920,000.

8. Gifts

The maximum (per person) annual gift you can give, without having to file a gift tax return is \$17,000 for 2023.

9. Energy Credits

Residential Clean Energy Credits have been extended through 2032. The credit for installing solar panels on your home is 30% of your cost. If you lease your solar panels, the IRS does not consider them to be a part of your home, so no credit is allowed for the lease.

Energy Efficient Home Improvement Credit – 30% of the cost subject to annual limits for different items that can aggregate to \$1,200. Heat Pump HVAC's, Heat Pump Water Heaters and Bio-mass Stoves and boilers have a maximum annual credit of \$2,000.

Clean Vehicle credit – Maximum Credit is \$7,500 depending on how many KWH of battery storage the vehicle has. A reduced credit is allowed for purchasing a used electric vehicle (30% of the vehicle cost of \$4,000 whichever is less). Note that credits are not allowed if AGI exceeds certain amounts, or the price of the vehicle exceeds certain amounts. Call me if you are considering buying an electric vehicle and we can discuss your situation.

10. IRA Contribution Deadline – 04/16/2024

These are some highlights that I thought would be of interest to you. We are looking forward to serving you this year. If you need an extension, please give us a call, and let us know. If we don't hear from you by the deadline, we will do our best to file an extension as a courtesy. If you expect to owe, then we advise you to send the estimated amount with your extension to avoid additional penalties and interest. Please call us so we can get the voucher prepared for you well before April 16, 2024. **Please note that the deadline for filing Partnership and S-Corporation returns is March 15, 2024.**

Sincerely,



David M. Hayes, CPA