

Member - Texas Society of Certified Public Accountants

December 12, 2022

1

Dear Clients and Friends,

Change is in the air for our company. We have moved the Longview office to our new location at 1121 N. Longview St. in Kilgore. Hopefully, you have received our notice of this in the mail. Our Lantrip St. location will still be operating through at least May of 2023, so feel free to drop off your tax info at either location.

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

- 1. 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.
- If you have minor children at home, children in college or adult dependents at home, 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.
- 3. 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.
- 4. Proof of health insurance is required only if you purchased health insurance through the Healthcare Marketplace. Then, we must have your **form 1095-A**. Otherwise, your return will be rejected, and we will have to redo it once you provide us with the form.
- 5. Copies of all W-2s, 1099s and 1098 forms. We cannot accept written amounts; we must enter data off these forms.
- 6. 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.
- 7. If you moved, please notify us of the address change.
- 8. If you expect a refund and your bank account has changed, we will need your new banking information.
- 9. 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 2022:

1. The standard deduction increased for inflation.

Filing Status	2022	
Single	\$12,950	
Head of Household	\$19,400	
Married Filing Joint	\$25,900	
Married Filing Separate	\$12,950	000 TEC 100 TEC 100

2. For a taxpayer or spouse who is age 65 or over or blind, the following additional standard deduction will apply for 2022:

Filing Status

Amount

Unmarried Taxpayer

An additional amount of \$1,750; \$3,500 for taxpayer

who was both over 65 and blind.

Married Taxpayer

An additional amount of \$1,400; \$2,800 for each spouse

that are both over 65 and blind.

- 3. For 2018-2025 the personal exemption is eliminated.
- 4. Business Mileage rates are:

2022 Before 07/01	2022 After 06/30	
\$0.585/mile	\$0.625/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:

- 100% for property placed in service after September 27, 2017 and before January 1, 2023;
- 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 \$1,080,000 in 2022. Phase out of the deduction starts at \$2,700,000 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 2022 is \$12,060,000.

8. Gifts

The maximum (per person) annual gift you can give, without having to file a gift tax return is \$16,000 for 2022.

9. Energy Credits

Residential energy efficiency credits have been extended through 2032. The credit for installing solar panels on your home is 30% of your cost. Donna & I had these installed in September. I would be happy to answer any questions on our experience if you are considering doing this.

Electric Vehicle credit – Maximum Credit is \$7,500 depending on how many KWH of battery storage the vehicle has.

10. IRA Contribution Deadline - 04/18/2023

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 18, 2023. Please note that the deadline for filing Partnership and S-Corporation returns is March 15, 2023.

Sincerely,

David M. Hayes, CPA

Daw M Dos CAA