

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

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,

A handwritten signature in black ink that reads "David M. Hayes, CPA". The signature is written in a cursive style.

David M. Hayes, CPA