

LML Tax & Accounting Services, LLC

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2023 End of Year Letter

With 2023 coming to a close we want to reach out to make you aware of a few updates and remind you of needed items for the upcoming tax season so we can create a smooth and easy tax filing for our clients! Dropping off documents might look a little different this year as we are very excited to show off our new office extension! When you pull up the driveway like normal you can make your way to the left-hand side of the house where you can head down the second door and enter our new office!

KEY DOCUMENTS

small businesses and rental properties can be provided with a separate list

- W-2 for wages
- W-2G for gambling
- 1099-Int for interest
- 1099-DIV for dividends
- 1099-B Brokerage accts
- 1099-K for income
- SSA-1099 Social Security
- 1098-T for tuition
- 1099-SA for HSA's
- 1099-NEC for income
- 1099-Misc for income
- 1098-Int for mortgages
- 1099-R for retirement
- 1099-G for refunds & unemployment

Many of the documents listed above will be very familiar to everyone. One that we would like to spotlight for this upcoming tax season is the 1099-K. Many of you will receive one this year for things like eBay or Facebook Marketplace sales, and sometimes for simple cash transfers using a cash between friend's app such as Zelle, Cash-App or Venmo. If you receive a 1099-K, please be sure to include it in your document pack and be prepared for us to reach out with clarification questions.

Updated Tax Brackets for 2023

Tax Rate	Single	Married Filing Jointly	Married Filing Separately	Head of Household
10%	Up to \$11,000	Up to \$22,000	Up to \$11,000	Up to \$15,700
12%	\$11,001 to \$44,725	\$22,001 to \$89,450	\$11,001 to \$44,725	\$15,701 to \$59,850
22%	\$44,726 to \$95,375	\$89,451 to \$190,750	\$44,726 to \$95,375	\$59,851 to \$95,350
24%	\$95,376 to \$182,100	\$190,751 to \$364,200	\$95,376 to \$182,100	\$95,351 to \$182,100
32%	\$182,101 to \$231,250	\$364,201 to \$462,500	\$182,101 to \$231,250	\$182,101 to \$231,250
35%	\$231,251 to \$578,125	\$462,501 to \$693,750	\$231,251 to \$346,875	\$231,251 to \$578,100
37%	\$578,125 or more	\$693,751 or more	\$346,876 or more	\$578,101 or more

Foreign accounts - please let us know if you have any foreign accounts so that we can properly report them.

Virtual Currency Transactions, digital payments, crypto currency - gains or losses in this area are taxable as capital income/loss. We must ask everyone if you have any of these activities!

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CORPORATE TRANSPARENCY ACT

Anyone with beneficial ownership in a LLC, Corporation, or Partnership will be required to do a separate reporting due December 31, 2024, to explain the ownership of the company. This is a new requirement as a part of the Anti-Money Laundering Act of 2020 to combat money laundering, tax fraud, and other illegal activities commonly associated with shell companies. If you are a member of any business, please be aware so you can avoid the hefty fines of \$500 per day up to \$10,000 for not filing. Additionally, if you create a business after January 1, 2024, you have 90 days to complete the required forms. It is very important to note that this also applies in inactive LLC's.

We will be sending out an update this summer when the forms are finalized and ready for filing.

Changes to Retirement Account Limits:

Key Retirement Plans				
Retirement Plan	2023	2022	Change	Age 50 or older catch-up
401(k), 403(b), 457 Plan	\$ 22,500	\$ 20,500	+\$2,000	Add \$7,500
IRA: Roth	\$ 6,500	\$ 6,000	+\$500	Add \$1,000
IRA: SIMPLE	\$ 15,500	\$ 14,000	+\$1,500	Add \$3,500
IRA: Traditional	\$ 6,500	\$ 6,000	+\$500	Add \$1,000

Standard Deduction Amounts:

Filing Status	2022	2023	Change
Single	\$ 12,950.00	13,850	\$ 900.00
Married Filing Jointly	\$ 25,900	\$ 27,700	\$ 1,800
Head of Household	\$ 19,400	\$ 20,800	\$ 1,400

Bonus Depreciation Phase Out:

Bonus Depreciation	
2022	100%
2023	80%
2024	60%
2025	40%
2026	20%



New Team Member Introduction -

Another very exciting piece of news is the addition of Travis Faust to our tax team! Travis graduated from Messiah University with a degree in accounting and has worked in public accounting ever since. Travis will be preparing tax returns and assisting with tax projections for clients. Make sure to give him a warm welcome to the team if you see him while you drop off your documents!

Thank You - As always, we are continuously reminded of how much we value each of you as a client. We are honored that you have trusted us to perform this service and we look forward to a great tax season!