

Welcome back to Waddleton Tax, Inc., we are happy to see you again!

Please review the following information carefully as these changes WILL impact your 2025 filing season!

Our Office Hours:

M-F 9AM to 5PM

2025 Tax Return Retainer for non-bookkeeping clients:

- \$100 - Student / Military
- \$300 - Individual / Family
- \$500 - Corporate

Additional Rates:

- Clean-up Bookkeeping for Tax Preparation: Starts at \$3,000.
- Tax Resolution: \$350 per hour, with half the total estimated returns retained. Monthly billing for the remainder will occur before the returns are filed.
 - Offer-in-Compromise.
 - Innocent Spouse / Installment Agreements
- IRS transcript monitoring: \$500 per year
 - Complete service with 1 hr. consultation included.
 - Retainer not required, if Tax Resolution services are needed.
- Minimum Bookkeeping Rate (**New Clients**): \$700/month
- Minimum Bookkeeping Rate w/ Tax Preparation (**New Clients**): \$900/month

(Please keep reading for additional 2025 tax information)

Important Changes for the 2025 Tax Season

Tax season has arrived, and we have some essential information that you'll find useful to keep on hand.

We have changed some of our websites to make it easier for clients to use:

Verifyle: A secure client portal where communications and document delivery take place. (Verifyle also has a very handy mobile app) <https://verifyle.com>

Anchor: Client agreement and billing <https://anchor.sh>

DocuSign: For signatures

Loom – Tax Return Video Reviews (3-to-5-minute video)

Cognito Forms – Client / Business Organizers
(Pro Tip: make sure to save progress and use the “resume” email link for updating your organizer)

Deadline & Billing Policy Changes:

1. Waddleton Tax, Inc. will be enforcing a **1-month deadline policy**. This means that all your tax preparation documents, organizer, and retainer must be submitted 30 days before your tax deadline. If not, you will automatically extend. Additionally, depending on your tax situation, you may incur penalties if you owe taxes or have additional returns.
2. If you are unable to provide all necessary information and documentation required to file your return by March 15, 2025, you must complete an extension form no later than March 31, 2025.
3. If you have submitted a properly filled-out extension form with all necessary information but missed deadlines and/or have incomplete tax return information by March 31, 2025, we will automatically file an extension on your behalf.

If we have not heard from you by March 31, 2025, and you have not filed an extension form, we will assume that you have another professional handling your returns, and we will not file any forms on your behalf, extension or otherwise. (Please note that an extension only delays the filing of documents, not any amounts owed to the IRS. Interest, penalties, and fees will still apply if applicable)

4. Billing is finalized once your return is approved. Waddleton Tax, Inc. will have Anchor issue your final invoice after approval, but before your return is filed. If there is a payment issue, we will hold your return until it is resolved.

5. If clients have any outstanding invoice(s) at the start of tax season, all invoices must be paid in full before any work on 2024 taxes can begin.

Deadline Notices:

Form 8821 – A New Requirement:

new and current clients (individuals and businesses) are now required to sign an 8821 (IRS Tax Information Authorization) form. This form grants access to current and previous tax records as needed and authorizes Waddleton Tax, Inc. to provide quality and preemptive services, promptly.

Please inform us if you receive any notices from the IRS, as we do not receive them unless we are an authorized representative for your account.

IRS Federal Filing Deadline Summary:

3/15/2025 :

- S Corporations & Partnerships
 - o Tax return ready for preparation by 2/15/2025
- Last Day to file Form 2553, election for S Corporation
-

4/15/2025:

- Individual and Self-Employment
 - o Tax return ready for preparation by 3/15/2025

5/15/2025:

- Tax Exempt Organizations
 - o Tax return ready for preparation by 4/15/2025

6/17/2025

- U.S. Citizens and Resident Aliens living and working outside the U.S. and Puerto Rico (including military personnel)
 - o Tax return ready for preparation by 5/17/2025

Additional Important Dates:

- **1/16/2025:**
 - o Estimated Taxes - Final installment of 2023 estimated taxes for individuals.
- **1/31/2025**
 - o W2 and 1099R amounts must be filed with the Social Security Administration. Employers are required to file 1099 forms and provide them to individuals.

Security Note:

Email is not secure, but the Verifyle portal is secure for communication and uploading documents. Please utilize the uploading and messaging features provided through those methods.
Please remember that conversations should also be through the portal versus my cell phone, thanks.

Rate Information:**“Simple” with a twist (Minimum range starting \$600 to \$800)**

Around 30% of returns fall into this category.

These commonly involve one (but not more than one) of the following:

- Self-employment income (revenue under 50K, no employees, no inventory, clean “Profit & Loss” statement)
- Rental Income from a single rental property (long-term rentals, not short-term rentals), not owner-occupied and not 1st year of rental reporting.
- Buying or selling of your main home
- Married couples filing jointly for the first time.
- Investment income subject to “Net Investment income tax” (Form 8960)
- Capital Gains income from the sale of “non-covered” securities (Form 8949)
- More than one or two brokerage 1099’s
- Simple K-1 income
- Significant under-withholding (W-4 problems) or other unexpected events that require analysis.

“Complex Returns” (Minimum Range starting \$800)

Typically, 50% of returns fall into this range, and depends on complexity of the return.

- S-Corporations (1120S Federal Filing) (March 2023)
- Schedule C – Revenue above \$50K
- Short-Term / Vacation Rentals
- Multiple items from the \$600 to \$800 list (above)
- Home offices not using the “simplified method.”
- Non-Simple K-1
- Reporting Foreign Financial Assets
- Cryptocurrency trading that is reported to you on a 1099 or standardized gain/loss statement.

“Partnership Returns” (Minimum Range starting \$1000)

- 1065 Federal Tax Filing (March 2023)

“Corporate Returns” (Minimum Range starting \$1,500)

- 1120 / 990 / 706 / 1041 Federal Tax Filing
- W2 / 1099 Filings, as needed.

A small number of returns will fall into the following situations:

- **High-income households** (\$250K and above), a tax preparation fee “floor” at **0.15% of the total income shown on the tax return**. The higher risk associated with higher income returns necessitates a higher fee compared to a return of the same complexity at a lower income level.
- **Married-filing-separate** tax returns (one filing for each spouse), minimum of \$600, a set of two married-filing separate returns are more complicated than two single returns, and more complicated than one joint return.
- **Amended tax returns** vary widely in price. The fee is determined by the amount of work required.

Please provide the following documentation:

- **Income:**
 - All Forms W-2 (wages), 1099-INT (interest), 1099-DIV (dividends), 1099-B (proceeds from broker or barter transactions), 1099-R (pensions and IRA distributions), Schedules K-1 from partnerships, S corporations, estates and trusts, and other income reporting statements, including all copies provided from the payer.
- **Health Insurance:**
 - Form 1095-A (for health insurance purchased through a public exchange), Form 1095-B (for health insurance purchased outside of a public exchange), or Form 1095-C (for employer-provided health insurance coverage).
- **Expenses:**
 - Mileage figures for any automobile expenses claimed, including total mileage, commuting mileage, and business mileage.
 - Detail of estimated tax payments made, if any.
 - List of itemized deductions categorized on a separate sheet for medical, taxes, interest, charitable, and miscellaneous deductions.
 - Copy of all acknowledgment letters received from charitable organizations for contributions made in 2024
- **Businesses:**
 - Income and deductions are categorized on a separate sheet for business or rental activities.
 - Portland Business Registration Number
 - Copy of active state business registration.
- If you are a new client, provide copies of the last 2 years’ tax returns.
- Copy of the closing statement if you bought or sold real estate.

Action Items (while gathering documents):

- Create your Account on the IRS website.

On IRS.gov, you can:

- E-Sign documents, like 8821
- View key data from your most recent tax return and access additional records and transcripts.
- View details of your payment plan if applicable.
- View 5 years of payment history and any pending or scheduled payments.

Questions? Don't hesitate to reach out. We're here to help.

Waddleton Tax, Inc.