

Tax Season Refresher 2024

Live Webinar



www.toptierrefunds.com





Tamara Van Buren

Owner and Seasoned Tax Specialist
Top Tier Refunds

Specialize in individual and business tax preparation

Started my career in the tax industry in 2015

Accounting, banking, and student financial aid

Call or text me!
Direct (901) 281-7102
Office (877) 228-1558
ask@toptierrefunds.com
www.toptierrefunds.com



 www.toptierrefunds.com

The filing status Qualifying Widow(er) is now called Qualifying Surviving Spouse. The same rules that applied for Qualifying Widow(er) apply to Qualifying Surviving Spouse.

If one spouse dies during the tax year, the survivor can file Married Filing Jointly. The year death is the last year to file jointly with a deceased spouse. In some cases, Qualifying Surviving Spouse can be used for two years following the year a spouse died.

The filing status entitles the surviving spouse to use joint tax return rates and highest standard deduction.



Teachers and educators will be able to deduct up to \$300 of out-of-pocket classroom expenses for 2023 when they file their federal tax return in 2024.

Eligible educators include anyone who is a kindergarten through 12th grade teacher, instructor, counselor, principal, or aide who worked in a school for at least 900 hours during the school year. Both public and private school educators qualify.

(previously \$250, \$50 increase due to the inflation adjustments)

\$600 reporting threshold for third party networks (such as Zelle, Venmo, Cash App, and PayPal) has been delayed once again per IRS issuance of **Notice 2023-74**. As a result, 1099-K reporting will not be required unless the taxpayer received over \$20,000 in gross payments and had 200 transactions in 2023.

In 2024, the threshold will be transitioning to \$5000 in gross payments with **no minimum transaction requirement**.

In 2025, the threshold will be transitioning to \$600 in gross payments with **no minimum transaction requirement**.



www.toptierrefunds.com

The Child Tax Credit is still up to \$2000 per qualifying child.

Due to the inflation the Additional Child Tax Credit increases to **\$1,600** (up from \$1,500 for 2022)

It will increase again in 2024 by \$100 to \$1700



The 2023 standard mileage rates for taxpayers to use in computing deductible costs of an automobile for business, charitable, medical, or moving expense purposes are:

65.5 cents per mile driven for **business** use

22 cents per mile driven for **medical** or **moving** purposes (moving purpose applies to members of the Armed Forces on active duty only)

14 cents per mile driven in rendering gratuitous services to a **charitable** organization



www.toptierrefunds.com

The **standard deduction** reduces the amount of income tax subject to tax.

A taxpayer's filing status determines their standard deduction:

For **2023**:

Single, Married Filing Single	\$13,850
Head of Household	\$20,800
Married Filing Jointly, Qualifying Surviving Spouse	\$27,700

A 10% penalty is normally assessed on **early distributions** from qualified plans/IRA's unless the taxpayer qualified for an **exception** to the penalty.

- Firefighters
- Public Safety Officers
- State and Local Government Correction Officers
- Terminally ill individuals



Taxpayers that make qualified energy-efficient improvements to their home after January 1, 2023, may qualify for a **credit of up to \$3,200**. Taxpayers can claim the ***Energy Efficient Home Improvement Credit*** for improvements made through 2032.

Beginning January 1, 2023, the credit equals 30% of certain qualified expenses, including:

- energy efficiency improvements installed during the year
- residential energy property expenses
- home energy audits

(examples are skylights, windows, exterior doors, insulation and air sealing materials or systems)

Taxpayers may qualify for a credit of up to \$7,500 if they buy a new, plug-in electric vehicle or or fuel cell vehicle.

To qualify, the taxpayer must:

- Buy it for their own use, not for resale
- Use it primarily in the U.S.
- Their MAGI may not exceed \$300,000 (MFJ,QSS), \$225,000 (HOH), \$150,000 (ON ALL OTHERS)



www.toptierrefunds.com

Q&A

Question #1: If you plan to start a new home based business, are there specific forms required for filing taxes?

Answer: Yes. Typically, to file a home based business on your tax return you would need the business income/expense sheet (expenses include supplies, office expenses, mileage, square footage of space used for business in home, etc.

(this would be filed on Schedule C of 1040)



Thank you!

New and Returning Tax Client Consultations are available online.



www.toptierrefunds.com