

JUNE 2023

IRS Tax Tips P. 1

Energy Credits P.2

Calendar/Recipe P.3

## IRS TAX TIPS

### When an IRS letter arrives, taxpayers don't need to panic, but they do need to read it

Getting a letter from the IRS can make some taxpayers nervous – but there's no need to panic. The IRS sends notices and letters when it needs to ask a question about a taxpayer's tax return, let them know about a change to their account or request a payment.

#### When an IRS letter or notice arrives in the mail, here's what taxpayers should do:

**Read the letter carefully.** Most IRS letters and notices are about federal tax returns or tax accounts. Each notice deals with a specific issue and includes any steps the taxpayer needs to take. A notice may reference changes to a taxpayer's account, taxes owed, a payment request or a specific issue on a tax return. Taking prompt action could minimize additional interest and penalty charges.

**Review the information.** If a letter is about a changed or corrected tax return, the taxpayer should review the information and compare it with the original return. If the taxpayer agrees, they should make notes about the corrections on their personal copy of the tax return and keep it for their records. Typically, a taxpayer will need to act only if they don't agree with the information, if the IRS asked for more information or if they have a balance due. **NOTE: If Sedillo and Associates completed your tax return, please make sure you contact our office about any letters or notices you receive.**

**Take any requested action, including making a payment.** The IRS and authorized private debt collection agencies do send letters by mail. Taxpayers can also view digital copies of select IRS notices by logging into their IRS Online Account. The IRS offers several options to help taxpayers who are struggling to pay a tax bill.

**Reply only if instructed to do so.** Taxpayers don't need to reply to a notice unless specifically told to do so. There is usually no need to call the IRS. If a taxpayer does need to call the IRS, they should use the number in the upper right-hand corner of the notice and have a copy of their tax return and letter.

**Let the IRS know of a disputed notice.** If a taxpayer doesn't agree with the IRS, they should follow the instructions in the notice to dispute what the notice says. The taxpayer should include information and documents for the IRS to review when considering the dispute.

**Keep the letter or notice for their records.** Taxpayers should keep notices or letters they receive from the IRS. These include adjustment notices when the IRS takes action on a taxpayer's account. Taxpayers should keep records for three years from the date they filed the tax return.

**Watch for scams.** The IRS will never contact a taxpayer using social media or text message. The first contact from the IRS usually comes in the mail. Taxpayers who are unsure whether they owe money to the IRS can view their tax account information on IRS.gov.

## JUNE FUN FACTS

June 10, 1889 - African American actress Hattie McDaniel (1889-1952) was born in Wichita, Kansas. She won an Academy Award in 1940 for her role as 'Mammy' in *Gone with the Wind*.

June 27, 1859 - American musician Mildred J. Hill (1859-1916) was born in Louisville, Kentucky. She composed the melody for what is now the world's most often sung song, *Happy Birthday to You*.

June 30, 1971 - The 26th Amendment to the U.S. Constitution was enacted, granting the right to vote in all federal, state and local elections to American citizens 18 years or older. The U.S. thus gained an additional 11 million voters. The minimum voting age in most states had been 21.



## **Installing solar panels or making other home improvements may qualify taxpayers for home energy credits**

Homeowners who make improvements like replacing old doors and windows, installing solar panels or upgrading a hot water heater may qualify for home energy tax credits. They should know what these credits can do for them – and be careful of exaggerated claims companies trying to get their business may make.

There are two tax credits to help defray costs for homeowners making energy efficient improvements to their primary or secondary residence. In some cases, renters may also be able to claim specific costs. Landlords can't use these credits for improvements made to any homes they rent out.

### **Energy Efficient Home Improvement Credit**

Taxpayers can claim the Energy Efficient Home Improvement Credit only for improvements, additions or renovations to an existing home. It doesn't apply to newly constructed homes.

Qualifying costs may include:

- Exterior doors, windows, skylights and insulation materials.
- Central air conditioners, water heaters, furnaces, boilers and heat pumps.
- Biomass stoves and boilers.
- Home energy audits.

The amount of the credit taxpayers can take is a percentage of the total improvement expenses in the year of installation:

- 2022: 30%, up to a lifetime maximum of \$500.
- 2023 through 2032: 30%, up to a maximum of \$1,200 annually. Biomass stoves and boilers have a separate annual credit limit of \$2,000 annually with no lifetime limit.

### **Residential Clean Energy Credit**

Taxpayers can also claim the Residential Clean Energy Credit for qualifying costs for either an existing home or a newly constructed home. Qualifying costs may include:

- Solar, wind and geothermal power generation equipment.
- Solar water heaters.
- Fuel cells.
- Battery storage.

The amount of the credit taxpayers can take is a percentage of the total improvement expenses in the year of installation:

- 2022 to 2032: 30%, no annual maximum or lifetime limit.
- 2033: 26%, no annual maximum or lifetime limit.
- 2034: 22%, no annual maximum or lifetime limit.

To claim these credits, taxpayers should file Form 5695, Residential Energy Credits, with their tax return.



## 5 Minute Fudge

This smooth and decadent 5 minute fudge is studded with pillowy marshmallows and crunchy bits of nuts. It is surprisingly simple to make thanks to the microwave and sweetened condensed milk - no babysitting bubbling fudge on the stove at all!

**PREP TIME:** 5 minutes    **COOK TIME:** 5 minutes    **TOTAL TIME:** 10 minutes

<https://www.harbourbreezehome.com/5-minute-fudge/>

### Ingredients

- 2 cups semi-sweet chocolate chips
- 1 can sweetened condensed milk, 14 oz
- 3 cups mini marshmallows
- 1 teaspoon vanilla extract
- 1 1/2 cups chopped walnuts, or any type of nut you'd like!

### Instructions

1. Line a 9 x13 inch pan with parchment paper or greased aluminum foil.
2. Place the chocolate chips and sweetened condensed milk in a microwave safe bowl and heat for 1 minute. Stir until mixture is smooth and all the chocolate chip bits are melted. If there are still some chips remaining after stirring, microwave in 30 second intervals - stirring in between until they are smooth. Stir in the vanilla, marshmallows, and walnuts
3. Using a large spoon, spoon out the fudge in large dollops into the parchment or foil lined pan. Press down to form an even layer. Refrigerate.
4. When ready to serve, pull the fudge out of the pan by lifting up on the sides of the parchment or foil. Slice into squares.

## JUNE

Jun 1

National Go Barefoot Day

Jun 5

National Moonshine Day

Jun 10

National Iced Tea Day

Jun 14

National Flag Day



Jun 16

National Fudge Day

Jun 18

Father's Day

Jun 21

National Arizona Day



Jun 22

National Kissing Day

Jun 27

National Onion Day

Jun 29

National Camera Day

corinnejtompson@sedillollc.com

602-241-0712

FORMS OF  
PAYMENT NOW  
ACCEPTED:

- VISA
- MASTERCARD
- AMERICAN EXPRESS
- DISCOVER CARD
- ZELLE
- FACEBOOK PAY
- CASH
- PERSONAL CHECK

## Types of Food

K	A	E	T	S	B	A	E	C	U	T	T	E	L
R	T	A	E	A	U	L	A	E	R	E	C	S	S
V	E	L	I	T	T	E	H	G	A	P	S	A	H
E	N	N	A	H	T	O	F	D	N	B	A	L	A
G	A	A	T	U	E	G	A	A	L	U	E	A	M
E	D	T	N	P	R	E	S	E	A	R	A	D	I
T	I	U	R	F	A	E	T	R	I	G	O	N	H
A	O	N	I	O	N	B	F	B	T	E	O	G	O
B	O	T	A	V	K	R	O	P	D	R	D	R	T
L	L	S	E	L	D	O	O	N	A	S	S	A	D
E	F	N	T	U	N	A	D	C	A	T	H	V	O
S	L	E	U	E	M	T	A	L	G	N	A	Y	G
R	O	L	L	S	P	M	R	V	G	A	M	M	S
R	A	D	I	S	H	T	V	D	I	N	N	E	R

- ONION
- PORK
- BURGERS
- FAST FOOD
- RADISH
- MACARONI
- LETTUCE
- VEGETABLES
- NOODLES
- BREAD
- CEREAL
- HAM
- FRUIT
- TUNA
- SALAD
- SPAGHETTI
- BUTTER
- ROLLS
- TV DINNER
- HOTDOGS
- STEAK
- GRAVY

Play this puzzle online at : <http://www.wordsearch.com/puzzle/289/>

Tax Times JUNE 2023

SEDILLO &  
ASSOCIATES, LLC

10220 North 31<sup>st</sup> Ave, Suite 129  
Phoenix, AZ 85051  
602-241-0712 ph  
602-241-1177 fax  
corinnejthompson@sedillollc.com

We Love Referrals!