



**Smith  
Accounting  
Services**

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Dear Client,

Another tax season is upon us and I look forward to working with you to get your 2023 Tax Return completed. For those that I will have the pleasure of serving for the first time, I appreciate the opportunity and will be excited to meet with you and hope to provide you with a great tax preparation service. There are many things I want to share with you as we start this Tax Season with the biggest change that you may have already received information about is that I have moved my office location to Dunbar. My new address is 216 13<sup>th</sup> Street, Dunbar WV, 25064. I am also excited to have my wife, Jennifer, with me full-time now in the office. You will have the opportunity to meet her as you drop off your tax documents. This past Tax Season, I implemented a text message system that had a separate phone number. This worked well in communicating with many that prefer that method and upon my move, I have upgraded my phone system that now allows me to call and text with my main office number 681-265-4506. I will be doing away with the number I used for texting last year.

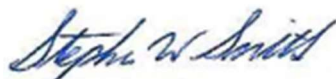
The following is information to make your tax return preparation and experience go as smooth as possible. The following will include some 2023 Tax Updates and other information:

- I am no longer taking appointments for the preparation of Tax Returns. You may drop off your tax documents anytime at the office. If you drop off at a time that I am out, you may place your documents through the mail slot on my side door. I feel that this process will be beneficial for all as it will allow me the opportunity to better focus on ensuring I have your return completed accurately and with all deductions. This also allows me to work through the volume of returns more efficiently. The majority did drop off last year and I had them completed and returned within a week to 10 days. This will be my same goal this year in getting the returns completed.
- For those that would like to submit their documents for the preparation of their tax return remotely, I have a secure method that will allow for this. Please send me an email to [ssmith@smithacctservices.com](mailto:ssmith@smithacctservices.com) and I will send you the instructions on uploading your documents.
- All Tax Return documents must be dropped off or submitted by April 1<sup>st</sup>, 2024. If documents are received after this date then they will either need to be extended or a \$100 upcharge will be required to have your return accelerated to have it completed before the IRS deadline of April 15<sup>th</sup>.
- If you are in need of having your Tax Return extended, please let me know by the April 1<sup>st</sup> deadline as well.

- There is a revamped Energy-efficient home improvement credit. If you had the installation of external windows, doors, and skylights, electric heat pumps, water heaters, some central air conditioning systems, and similar energy saving investments, you may be eligible for this credit. The lifetime limit has been raised from \$500 to \$1,200. If you had any of these items installed in 2023, you will need to provide the supporting documents to be included on your return.
- A great tax saving strategy is through Retirement Savings and the contribution limits have been raised. The contribution limit to an IRA is \$6,500 and \$7,500 for those 50 and older. You have until April 15<sup>th</sup> to contribute toward the 2023 limit. The 2024 limit has been raised to \$7,000 and \$8,000 for those 50 and older. Tax deductions for your IRA phaseout at \$116,000 to \$136,000 for couples and \$73,000 to \$83,000 for single filers.
- For 2023, a taxpayer with a child under Age 17 may be eligible for a Child Tax Credit up to \$2,000 with up to \$1,600 being refundable.
- The earned income tax credit (EITC) maximum amount for 2023 is \$600, \$3,995, \$6,604, and \$7,430, depending on your filing status, amount of income, and how many children.
- The Standard Deduction for 2023 is \$27,700 for Married Filing Jointly, Singles can claim \$13,850, and Head of Household filers get \$20,800. An additional \$1,500 is added for each that is Age 65 or older.
- If you have college debt that you are paying, you may be able to deduct up to \$2,500 student loan interest paid subject to income limitations.
- The Standard mileage rate for business driving is 65.5 cents per mile.

As always, I am willing to work with you to ensure that I can assist you in a way that is most convenient for you, just reach out to me if any methods mentioned above does not work for you. With this letter is a list of items and common forms needed to prepare your return. Also enclosed is a Client Questionnaire that I would ask for you to complete and provide with your Tax Documents.

Sincerely,



Steve W. Smith, CPA, CIA

**NOTE: PLEASE RETURN THE CLIENT QUESTIONNAIRE WITH YOUR TAX DOCUMENTS**



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## **CLIENT QUESTIONNAIRE**

**(RETURN WITH TAX DOCUMENTS)**

Name: \_\_\_\_\_ Spouse: \_\_\_\_\_

E-Mail: \_\_\_\_\_ Spouse: \_\_\_\_\_

Cell Phone: \_\_\_\_\_ Spouse Cell: \_\_\_\_\_ Home Phone: \_\_\_\_\_

1. Select how you would like your copy of your completed Tax Return:

☐

Paper Copy

☐

E-Mail

☐

USB Flash Drive

☐

No Copy Needed

2. How do you prefer that we let you know that your Tax Return is completed (**Text** is encouraged):

☐

Text

☐

E-Mail

☐

Phone

3. Did you move or have a change of address during the year?

- a. If yes, please provide your updated address.

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

4. If you are entitled to a refund, would you prefer your refund be Directly Deposited:

☐

YES - Direct Deposit

☐

NO - Paper Check

5. If you owe Taxes, would you want to have them paid electronically with the filing of your Return?

☐

YES

☐

NO – Provide Payment Voucher

- a. Complete the following if you selected **YES** on 4 or 5 above.

Account type:

☐

Checking

☐

Savings

Routing Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

6. Did you or your spouse renew your drivers license during the year? ☐ YES ☐ NO

- a. If YES, please provide a copy of your driver's license with Tax Documents.

7. Will you be claiming any Dependents on your Tax Return? ☐ YES ☐ NO

- a. If YES, please complete the Dependent Form on Back

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

## DEPENDENT QUESTIONNAIRE

Dependent 1: Name: \_\_\_\_\_ DOB: \_\_\_\_\_  
Relationship: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Dependent 2: Name: \_\_\_\_\_ DOB: \_\_\_\_\_  
Relationship: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Dependent 3: Name: \_\_\_\_\_ DOB: \_\_\_\_\_  
Relationship: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Dependent 4: Name: \_\_\_\_\_ DOB: \_\_\_\_\_  
Relationship: \_\_\_\_\_ Social Security #: \_\_\_\_\_

1. Is the Child unmarried?

Dependent 1: ☐ YES ☐ NO  
Dependent 3: ☐ YES ☐ NO

Dependent 2: ☐ YES ☐ NO  
Dependent 4: ☐ YES ☐ NO

2. Did the Child live with taxpayer over half the year?

Dependent 1: ☐ YES ☐ NO  
Dependent 3: ☐ YES ☐ NO

Dependent 2: ☐ YES ☐ NO  
Dependent 4: ☐ YES ☐ NO

3. Can another taxpayer claim the child?

Dependent 1: ☐ YES ☐ NO  
Dependent 3: ☐ YES ☐ NO

Dependent 2: ☐ YES ☐ NO  
Dependent 4: ☐ YES ☐ NO

4. A taxpayer may not claim the Child Tax Credit if the child has not lived with the taxpayer for over half the year, even if the taxpayer has supported the child, unless the child's custodial parent has released a claim to the exemption for the child.

Based on this Rule are you still eligible to claim the Child Tax Credit? ☐ N/A

Dependent 1: ☐ YES ☐ NO  
Dependent 3: ☐ YES ☐ NO

Dependent 2: ☐ YES ☐ NO  
Dependent 4: ☐ YES ☐ NO

5. If the taxpayer is divorced or a separated parent (or parents who live apart), the custodial parent must release the right to claim the child as a dependent to the noncustodial parent and will need to fill out Form 8332.

If you are a noncustodial parent claiming the child as a dependent, have you obtained the Form 8332 from the custodial parent? ☐ N/A

Dependent 1: ☐ YES ☐ NO  
Dependent 3: ☐ YES ☐ NO

Dependent 2: ☐ YES ☐ NO  
Dependent 4: ☐ YES ☐ NO

6. If claiming Head of Household, were you considered unmarried the last day of the tax year?

☐ YES ☐ NO ☐ N/A

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

# Tax Preparation Checklist – Common Items Needed

## Income

- **W-2 forms.** Employers must issue your W-2 by Jan. 31, so keep an eye on your mailboxes, both physical and electronic.
- **1099 forms.** Each of these ends with a different suffix, depending on the type of payment you received. For example, form 1099-MISC is for contract work, form 1099-NEC for nonemployee compensation. Investment earnings show up on 1099-INT for interest, 1099-DIV for dividends and 1099-B for broker-handled transactions.
- **Record of Estimated Tax Payments made**

## Regular Deductions

Deductions help reduce your taxable income. The key to claiming deductions is documentation. Here's a rundown of some popular tax deductions.

- **Retirement account contributions.** You can deduct contributions to a traditional IRA or self-employed retirement account. Be sure to ask me how you may be able to receive this deduction.
- **Educational expenses.** Students can claim a deduction for interest paid on a student loan. Form 1098-E has details on your student loan.
- **Classroom expenses.** If you're a school teacher or other eligible educator, you can deduct up to \$300 spent on classroom supplies.

## Itemized Deductions

Itemized deductions are used only if they total more than your standard deduction. The standard deduction is \$12,950 for Single and Married Filing Separate, \$25,900 for Married Filing Jointly, \$19,400 for Head of Household. If 65 year old or older or blind, you can claim an additional \$1,400 on your standard deduction and \$1,750 if Single or Head of Household. If both spouses are 65 or older then the additional deduction is doubled.

- **Medical bills.** Medical costs could provide tax savings, but only if they total more than 7.5% of adjusted gross income for most taxpayers.
- **Property taxes and mortgage interest.** If your mortgage payment includes an amount escrowed for property taxes, it will be included on the Form 1098 your lender sends you. That document will also show how much home loan interest you can claim on Schedule A.
- **Charitable donations.** To ensure your generosity pays off at tax time, keep your receipts for charitable donations. The IRS could disallow your claim if you don't have verification.
- **State and local taxes.** You can deduct various other taxes, including either state and local income or sales taxes (up to \$10,000, including property taxes). You don't need receipts for the sales tax; the IRS provides tables with average amounts you can claim. The tax on a major purchase, however, can be added to the table amount, so keep those receipts.