

# WALLATAX FACTS

# 2023

## WELCOME!

Help us welcome our new assistants this year – Nancy and Lorraine! They will be working with us to help with phones, filing, scheduling and all the other things we need to do to keep the office moving every tax season. Also, Carol will be helping us again this year. Welcome to all our seasonal help!

## ZOOM! ZOOM!

One of the few nice things about the Covid crisis was the introduction of Zoom tax meetings! We continue to offer this option for your tax appointment. If you had a Zoom last year, we scheduled one for this year. We're happy to change your preferences, just give us a call. (And if any of our WallaGram or drop-off clients are interested in a Zoom meeting, we'll be happy to accommodate you, too!)

## \$30 OFF TAX PREP FEE FOR EARLY BIRDS!

If we receive all your tax information by February 3, 2023, we will reduce your tax-preparation fee by \$30. **All records and documents**, including W-2s and 1099s, must be in our hands by the deadline to qualify for the discount.

## NEW LEGISLATION – Retirement Accounts

Just signed into law late in December are some new rules regarding distributions from your retirement accounts. Some of the legislation takes place now, for 2023, and some in later years. In general, the RMD age changes to 73 starting Jan 1, 2023 (it was 72 in years after 2020) and will be increased to 75 in 2033. The catch-up amount taxpayers may contribute to their IRAs will be indexed for inflation starting in 2024. Starting in 2024, unused funds from 529 plans may be rolled over into a Roth IRA. And there is now special tax treatment available for a variety of reasons to withdraw funds from your retirement accounts (some don't start until future years). If you withdrew retirement funds for a disaster or terminal illness, or you are a public safety officer, you may want to schedule a tax planning meeting to see how these new regulations affect your personal tax situation.

## NEW LEGISLATION – Energy, 1099-K, Mileage Rates

There are lots of new and improved energy credits available in 2023 from your home to your electric car. The big increases are all for tax years starting in 2023, but Congress did extend the expiring credits from 2021 into 2022. Let's hope you waited until 2023 to make a lot of energy improvements! The IRS was set to require all third-party payment networks to issue **1099-K** for any transactions over \$600 for 2022. Late in 2022, the IRS decided to temporarily waive this requirement. However, you may still receive one of these forms. Yes, it is taxable income and yes, we need to account for it on your tax return. Please provide this document with your paperwork to avoid IRS matching letters later. **Business/Medical Mileage?** The IRS introduced 2 rates for 2022, Jan-June (.585/.18) and July-December (.625/.22). Please remember to keep accurate records!

## Note these deadlines:

**Tue, Jan 17** – Final due date for 2022 federal, state & local estimated taxes.

**Tue, Jan 31** – Deadline for employers to mail all 2022 W2, 1099-NEC and 1099-MISC forms to taxpayers and to the IRS and Social Security Administration.

**Fri, Feb 3** – Early Bird Deadline! \$30 off your fee!

**Wed, Mar 15** – IRS due date for 2022 calendar-year S-Corporation & partnership tax returns and extensions.

**Sat, Mar 18** – I am likely to file an extension for you on April 18 if you don't deliver your paperwork by March 18.

**Mar 18 – Mar 31** – This is my "yellow zone" information-in period. You are likely to have an extension filed if you provide any info to us during this period.

**Apr 1 – Apr 18** – This is my "red zone" all information-in period. You will receive an extension if you deliver your paperwork during this period. Your extension will be filed based on your 2021 tax situation if you deliver paperwork between **April 8 and April 18**.

**Tue, Apr 18** – The BIG DAY! Also the last day to make 2022 IRA contributions, amend 2019 returns, and pay first-quarter 2023 estimated taxes.

**Fri, Sept 15** – Due date for extended Corporate and Partnership 2022 Tax Returns.

**Mon, Oct 16** – If you received a six-month filing extension on April 18<sup>th</sup>, this is the final date to file your 2022 income tax return and make 2022 SEP and HR10 contributions.

## Reminder:

If sending missing information documents via e-mail, use [missinginfo@wallatax.com](mailto:missinginfo@wallatax.com)

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**EMAIL AUTHORIZATION & SECURE LINKS**

Because of conflicting rules between FINRA and the IRS, *clients MUST sign a Consent to Disclose Tax Return Information in order to send e-mails to anyone in our office.* That means, e-mail cannot be used to send attachments, ask any question, or set up a Zoom meeting. You can still send documents by fax, drop-off and mail, see us personally or speak to us by phone. We encourage those who do use email to send attachments to first request a secure link from us. Please use standard .pdf, .doc or .xls format. NO CELLPHONE PHOTOS.

**MISSING INFORMATION**

A major reason for the delay in the processing of your returns is that something is missing and we are unable to file a complete return. The later your information arrives after March 18, the more likely you are to receive an extension. We will make every attempt to complete your returns but be aware that your tardiness puts you further back in the line. Send missing information via fax (215) 540-0970, email (call for a secure link) [missinginfo@wallatax.com](mailto:missinginfo@wallatax.com), regular mail, or drop-off.

**IDENTITY CHECK ✓ (ATTN: New York workers/residents)**

...and some other folks, too: the IRS is collecting driver's license data to verify identity and many states are requiring driver's licenses to e-file state returns. This is mandatory in: **AL, NM, NY, OH & VT** and is optional in **NJ and PA**. Provide your details in our Client Questionnaire.

**YES, WE REALLY DO NEED THESE PAPERS**

Paperwork? Please sign our Consent forms, Engagement Letter, and Client Questionnaire. Any missing or incomplete paperwork could cause delays in processing your returns or cost you money in lost deductions. Also, we will not file your return until we have received your signed Form 8879 (provided upon completion of the return). **If we do not receive payment or required signatures by April 18<sup>th</sup>, an extension will be filed. Any tax owed must be paid by April 18<sup>th</sup>.**

**INFLATION FEE INCREASE**

While we always charge a fair tax prep fee based on our experience and expertise, some clients may see an increase in their fees this year due higher costs in our industry.

**YEAR-ROUND HELP AVAILABLE**

We are available all year to answer your tax questions. We may charge for inquiries requiring 15 minutes or more, or involving computations. Fees are based primarily on the time devoted to the assignment, including conferences, phone calls, factual investigations & analysis, research, document preparation and other services rendered on your behalf.

For the latest tax news, please visit our website, **[www.wallatax.com](http://www.wallatax.com)**. You will find tax information, useful links, FAQs, a map and much more!

**Standard Deductions**

2022 Tax Year		65+
MFJ	25,900	+1,400
S	12,950	+1,750
HOH	19,400	+1,750
MFS	12,950	+1,400

**2022 Exemptions**

Suspended (2018-25), 0

**2022 Mileage Rates****1/1/22 – 6/30/22**

Business	.585
Medical/Moving	.18

**7/1/22 – 12/31/22**

Business	.625
Medical/Moving	.22
Charity - YEAR	.14

**2023 Mileage Rates**

Business	.655
Medical/Moving	.22
Charity	.14

**IRA Contributions**

Age	2023	2022
Under 50	6,500	6,000
50 +	7,500	7,000

**Yrly Gift Tax Exclusion**

For 2023	17,000
For 2022	16,000

**WALLA-GRAM**

Our mail-in service makes filing your returns easy & convenient. Ask for yours today!

**HELPFUL LOGS AVAILABLE**

We have several log books available for your use, just ask!

**GET YOUR NERF BALLS!**

We still have some anniversary gifts in the office, stop in today!

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