

TAX TALK



**Accurate Tax
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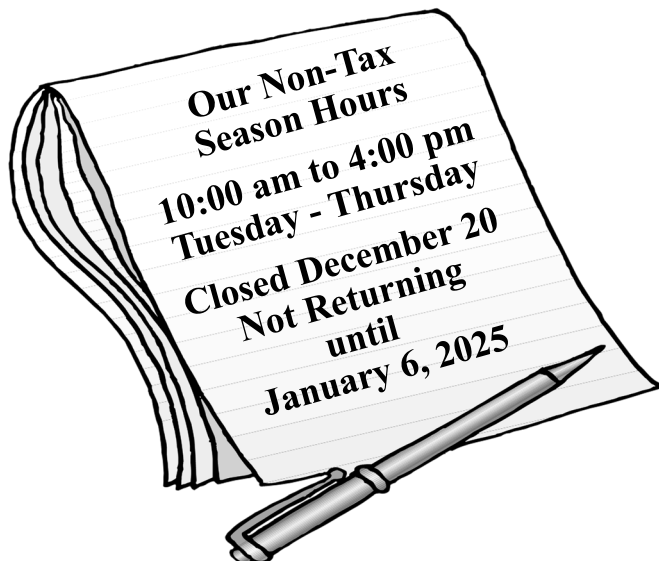
Dear Client:

It's fall already! I'm still trying to figure out where the summer went. Tax season is not that far away. We are working diligently to keep up with new laws and refresh on the old, along with updating our worksheets.

My hope is this newsletter will keep you informed of the new laws as well as refresh old ones. All too often taxpayers wait until the year is over and miss opportunities that could reduce their tax liability. I believe in keeping our clients informed. The more you know, the less of a surprise your tax result will be. We are also here to answer your questions during our off season hours found below.

You will find your letter with your prescheduled appointment or a letter stating that you do not have one included with this short newsletter.

Next year we will be skipping this mailing and will mail your appointment along with all your necessary paperwork IN JANUARY. We will be reducing our newsletters from three to two per year. Another time reducer for me and everyone else that prepares our newsletters.



APPOINTMENTS

Accurate Tax is continuing to preschedule tax interview appointments for most prior year clients. Your appointment should be included with this newsletter. However, if you dropped off your information last year, you probably don't have an appointment. If your circumstances change and you would prefer one this year, please call as soon as possible to reserve a time.

We are accepting a limited amount of new clients this year. New clients - at least for the first year must meet with a preparer. Appointments will be on a first come first serve basis for new clients.

If you would prefer to drop off your tax information and we have scheduled you an appointment, please call us and cancel to allow someone who wants an appointment the option of your time slot.

If you have moved or will be moving, be sure to let us know your new address, change of email, or change of phone number. That way you will continue to receive our newsletters, get an appointment reminder, and our most important January mailing in 2025.

If you are one that files an extension because you go where it is warm for the winter, you **MUST** call us if you would like us to file an extension for you. To have it timely filed, it needs to be filed by April 15, 2025.

**Look for our JANUARY MAILING.
It will include your necessary paperwork.**

A Note to Sharon's Clients

As I continue my journey into retirement, I would like to thank my tax clients for understanding and being cooperative as I transition you to a new preparer. I am slowly reducing the amount of tax clients I can see. Change is always hard and I will miss those clients that I am unable to see. I am choosing to move clients to another preparer not based on favoritism but on availability of the other preparer or which client's I need to see for another few years.

My goal is to make a smooth move for all and have Accurate Tax still be the best place for clients to have their returns prepared. I will work on providing each of my clients with an intelligent, knowledgeable preparer.

You will still see me at the office. I am not intending to leave and never return. My intention is to be a resource for other preparers in the office. As a resource, I can share my knowledge from years of experience and prepare a very small number of complicated returns at the same time.





Once your child reaches 18, information regarding their education will no longer be disclosed to you without their written consent. Even if you are the one paying the college tuition. **FERPA authorization** allows you to access all of your adult child's educational records.



To get the benefit of the full 30% energy credit, put in a few new energy efficient windows by the end of the year to receive up to \$600 in credits (\$2,000 for the cost of the windows), and then put in a few more next year. That way you don't exceed the annual limit and will receive another 30% credit in 2025.

Any child or person age 18 or over will need to sign a "Consent to Release" if they want someone other than themselves to pick up their completed tax return. The form is available online at the Accurate Tax website if we don't already have one on file. **Our form does not allow you to sign a return for them without a POA.**

If you have a high deductible health insurance plan and an eligible HSA (Health Savings Account), you should consider making the maximum contribution available to you for 2024. If you have your own or one that you contribute to



through your employer and haven't contributed the maximum, consider contributing the additional amount. You have until April to contribute, however, if done before December 31st, there's no question as to what year it belongs to..... And it's tax deductible!

Last Will & Testament
You Get Nothing!

Review your retirement plan beneficiaries if you haven't done so recently. You can help avoid unintended consequences by updating beneficiary designations of your 401(k) or 403(b) plans, annuities, pensions, and IRAs to

account for life changes such as marriage, divorce, or the death of a spouse or other listed beneficiary. While you're at it, review the beneficiaries listed in your will and taxable accounts. A "designated" beneficiary will get at least 10 years to take the money out. With no designated beneficiary, they usually only get 5 years.

Business owners and farmers are required to issue Form 1099 to a single recipient or business when a total amount paid during the calendar year adds up to or more than \$600. Items that need to be reported on a Form 1099:

- Commissions, fees, rents, interest, royalties, and other compensation, including veterinarian and attorney services.

THESE FORMS NEED TO BE ISSUED BY JANUARY 31ST OF EACH YEAR.



Your annual exclusion to avoid filing a gift tax return for gifts in 2024 is \$18,000. A gift is never taxable to the receiver, and not deductible to the giver.

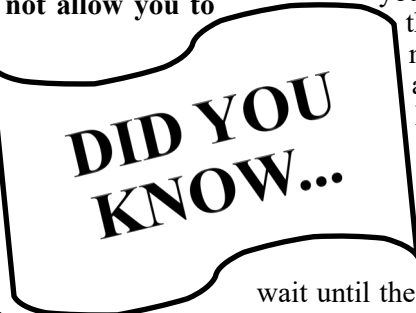
When you receive your 1099 brokerage paperwork, be sure to bring in ALL of the pages—even if you don't think it has anything we need. We may miss important information without the entire packet.

It is always a good idea to periodically check how much federal and state income tax you're having withheld from your paycheck. Life events such as the following can effect your bottom line:

- Marriage or divorce
- Birth of a child or adult children no longer dependents
- Starting a new job or start or stop a second job
- Unemployment Compensation
- Retirement income
- Social Security income



This newsletter is published as a service to clients of Accurate Tax & Accounting Ltd. and has been prepared with due diligence. However, the possibility of mechanical and/or human error does exist. Because every taxpayers' situation is different, if you have questions after reading this information, contact your tax or financial advisor for clarification and assistance.



A reminder to those who are required to take out a RMD (required minimum distribution) - don't wait until the end of December to request it. If there is a mix-up, you may not have time to correct it.

FORM 1099-K

Payment networks and other providers will use a 1099-K Form to report certain transactions from payment cards and through various payment networks. Payment networks can include a range of providers that you're likely familiar with - such as Venmo, PayPal, Stripe, and CashApp. And if you sell on Etsy, eBay, Depop, or other similar sites, you probably process payments through third party networks as well.

For 2024, if any transactions for goods and services exceed \$5,000, you will find a 1099-K in your mailbox come January. Companies that are required to send a 1099-K provide a copy to you and the IRS. If your records don't match the 1099-K, bring it to the attention of the company that issued the 1099 to see if it can be changed.

You may receive a 1099-K, and think this does not apply to you because it was only a one time thing and only personal items were sold. However, if you receive a 1099-K, it needs to be addressed somewhere on your tax return. Depending on the seller's circumstances, will determine if it is taxable or not. Don't discard your 1099-K!

In 2025, that \$5,000 will drop to \$600 - which will include many more taxpayers who sell a few items a year.

BOI reporting for small businesses

Earlier this year we informed you that almost all small businesses – corporations, partnership, and LLC's will be impacted by the Corporate Transparency Act. This act is a federal anti-money laundering law passed in 2021. This came from decades of concern about the use of "shell companies" to facilitate criminal activity, tax evasion, terrorist financing, and more recently – human trafficking. If you are one of the above, you are required to report your BOI (Beneficial Ownership Information) to FinCEN. Entities created before January 1, 2024 must file by 12/31/24. Entities created after 01/01/24 must file within 90 calendar days of forming the entity.

More information can be found at www.fincen.gov/boi.