

# TAX TALK

FROM



**Accurate Tax & Accounting Ltd.**

2965 Prairie Ave.  
Beloit, WI 53511  
608-362-1224  
www.acc.tax



**JAN. 2025**

**DEAR CLIENT:**

It's tax time! This newsletter is to help you get ready for your tax appointment. Those who have chosen to drop off will need to fill out the PURPLE AND the YELLOW sheets to include with your information when you drop off. Those who have chosen a face to face meeting will only need to fill out the PURPLE sheet, since we can ask the other questions while you are here.

*Those of you that use our portal to provide us with your information, please fill out both the yellow/purple sheets. When uploading your information, we ask that you upload in one group—not individually or separated by category. This will help us to eliminate the possibility of missing a page. We want to make sure that we have ALL pertinent information to prepare a complete and accurate return. To verify that we have all pages, please email or make a notation of the number of pages included.*

We have also included worksheets for specific situations if we thought you would need them. *We are requesting that anyone with forms that require signatures be read, filled out, and signed.*

If you did not receive any of the worksheets or misplaced any of the required sheets, and you need one, call and request what you need or download them directly from our website at [www.acc.tax](http://www.acc.tax) They will be posted shortly.

If you choose to drop off your information, please keep in mind, there could be a longer wait time than what you are used to if you've always had a face to face appointment. Our goal is to keep our process as fast as we possibly can and keep your wait time to a minimum. To keep the returns moving, we cannot allow preparer requests for drop offs.

**To Our Clients with Businesses:** A friendly reminder that the deadline for W-2's and 1099's is the end of January. You should be issuing 1099's to anyone you paid \$600 or more for the year. That includes monies paid for rent, attorneys, veterinarians and accountants.

OUR EXTENDED HOURS BEGIN  
 JANUARY 27th  
 MON., TUES., WED.  
 9:00 AM TO 6:00 PM  
 THUR., FRI., SAT.  
 9:00 AM TO 5:00 PM

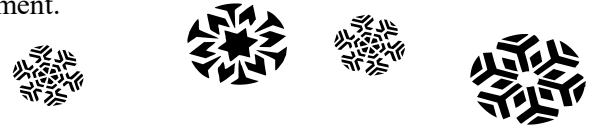


**APPOINTMENTS**

We are offering you a choice of whether you would like a face to face appointment or choose to drop off your information. Whatever choice, be sure to have all your paperwork and worksheets filled out before you arrive.

While we are currently adding/training new preparers, our appointments are still limited. Those who want a face to face appointment and have not yet made an appointment, should do so soon. Appointments will be on a first come first serve basis. Once there are no more appointments available, your only option will be to drop off your information and hope we can finish it without an extension.

If you have a pre-scheduled appointment and don't need it, please call and cancel so it's open for someone else who needs an appointment.



**CLIENT APPRECIATION DRAWING**

We appreciate each and every one of our clients and, as our special way of saying thanks. Drawing is April 15th.



You may win any of the following:  
 Free tax preparation of your 2025 tax return up to \$250.

**Additional Prizes:**

\$50 Visa Card—to use anywhere  
 \$50 Menards gift card

**ALL CLIENTS WILL AUTOMATICALLY BE ENTERED.**

(Winner's names will be published in our next newsletter)



Clients that bring in their parent's information or their child's (over age 18) information **cannot** pick up the completed tax return without a signed release. Please ask us for a release form if you will be picking up any tax return that is not yours—unless we already have a Power Of Attorney (POA) or a signed release in our file.

**SORRY, ABSOLUTELY NO EXCEPTIONS**



Banks are not required to issue a 1099 if interest earned on accounts is less than \$10. ***It is still taxable income and should be reported on your tax return.*** Please include your year-end bank statement if you don't know where to find this information or make a note of the amount.

Stock or mutual fund dividends of under \$10 follow the same rules. Bring your year end statement.

If you are an executor of an estate and received a fee for your services, be sure to report it as income on your tax return. The IRS and state governments search filed estate returns for the missing income.



**ALL** gambling winnings are taxable even if you didn't win enough to get a reporting document. You should keep a log of ALL your winnings and losses for tax purposes. New logging rules called "sessions" are available to gamblers who keep meticulous records.

Charitable contributions of \$250 or more to any single charity require a written acknowledgement statement of the contribution from the organization "PRIOR" to filing your tax return. **Written acknowledgements must state what, if any, goods or services were received by you for the donation.**

Starting January 1st, there will be an additional charge of \$4.00 for anyone using a debit or credit card for payment. Rather than increasing the fees for everyone to offset the cost, we have decided to add a fee to just the users of cards for payment. Your other payment options are still free from any charges.

**2024 Real Estate Tax Bill**  
Now is the time to ***check the property tax bill you received recently to ensure you are receiving the Wisconsin Lottery and Gaming Credit and The First Dollar Credit.***

The Lottery and Gaming Credit is available to Wisconsin residents who ***lived in and owned their primary*** residence on January 1st of 2024.

First Dollar Credit is available on every piece of property that has a building on it. Not restricted to a personal residence.

If you qualify, and did not receive it, or if you received it on property (i.e., rental property) that you should not have, you should contact your local or county treasurer.

For 2025, the standard mileage rate for each mile for business use is **70** cents (up from .67). No changes for medical/moving purposes (.21) or for charitable mileage (.14).



This is the time of year when weather is very unpredictable. On snowy/icy days when you don't want to venture out – **Don't.** We want all of our clients to be safe. On bad days, please call ahead to make sure that we are here "if" you are coming for an appointment.



Taxpayers who pay Medicare premiums and have higher than normal income due to unusual circumstances, sometimes overlook the fact their Medicare premiums will increase the following year. In 2024, an individual with more than \$103,000 of income or married couple with more than \$206,000 will see their premiums increase the following year.

Wisconsin has an Additional Child and Dependent Care Credit. The amount of qualifying expenses and maximum credit allowable have been increased. A new schedule WI-2441 will be used to compute the allowable credit.

WI tuition subtraction in 2024 has increased to a maximum of \$7,333 per student.



### IP PIN

Have you ever experienced having a dependent that filed their tax return and claimed themselves before you did or a parent not entitled to claim the child? That meant that you couldn't e-file and needed to mail your tax return. Now there is another benefit for those with an IP PIN.

In a prior newsletter, we explained what an IP Pin was, how to get one, and why you may want to apply for one. It was originally designed to prevent someone else from filing a return using your Social Security number. Known only to you and the IRS. You are notified with a new number every year.

Another reason to get an IP PIN - IRS announced it is taking steps to help prevent refund delays and *will accept an e-filed return*, even if a dependent had already been claimed on a previously filed return as long as the **PRIMARY** taxpayer on the second return includes a valid IP PIN.

The IRS IP PIN online application is currently closed and reopens in early January.

### CORPORATE TRANSPARENCY ACT

A new reporting rule went into effect on January 1st, 2024 requiring the filing of a special report directly online with the Financial Crimes Enforcement Network.



What businesses does this affect? Single member LLC's (even if you only file a Sch C), multi member LLC's, S Corporations and C Corporations. This also applies to rental LLC's. You must make a report for EACH established entity.

On December 23rd of 2024, after a federal appeals court issued an order to temporarily block the BOI - extending the filing requirements to 1/13/2025 for entities created before 2024.

On December 26, a different panel of the U.S. Court of Appeals issued an order granting a stay of the preliminary injunction. Meaning reporting companies are **not currently** required to file. Do you file if you haven't? Currently no, but it may change within days. We'll keep you posted.

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. The information is of a general nature and not specific tax advice. If you have questions after reading this information, contact your tax advisor, financial advisor, or attorney for clarification and assistance.

# GETTING YOUR RECORDS TOGETHER - A Quick Checklist

## Personal Information -

- \* Name, address, social security number, and date of birth for yourself, spouse and dependent **IF** you have not provided it to us in prior years. Make a notation of social security number(s) if you have a new baby or other additions to your family that were not included on prior returns.
- \* The PURPLE questionnaire (for everyone) filled out if you want \$10.00 off your fee.
- \* The PURPLE and the YELLOW drop off sheet filled out completely - if you have no appointment.
- \* If you've moved or changed your phone number, make sure we have the correct one.
- \* A copy of your driver's license. If you have provided it in an earlier year, and you DID NOT need to renew in 2024, you do not need to provide it to us again. Those who had to renew, we need the new issue date and expiration date. New clients will be required to furnish both drivers license and social security cards for all.

## Income -

- \* Wages, (W-2's) and/or Unemployment 1099 - you **MAY** need to retrieve it online. Don't overlook it.
- \* Interest from banks and other accounts. If no 1099, please jot down the total YTD interest from your December statement. Please tell us what banking institution it's from.
- \* Dividends from stocks and mutual funds. Be sure we get **ALL** the paperwork they mailed you. Don't just assume we don't need it. If no 1099, please include your year end statement. Most paperwork will also include any stock/bond sales.
- \* Social security income.
- \* Nontaxable amounts received for child support, worker's compensation, and VA **ONLY** if filing for the Wisconsin Homestead Credit.
- \* Pension, IRA, 401K, 403B, SEP, SIMPLE, and annuity **income**.
- \* Partnership, S Corporation, Trust, Estate Income. **You should have a Form K-1.**
- \* ANY other income such as: gambling/lottery winnings and losses, prizes, bonus income, jury duty, scholarships, settlements, and polling income - if not on a W-2.
- \* Make a listing of ANY cryptocurrency transactions. Some apps offer free crypto, please tell us how much you received.
- \* Alimony received if divorce was prior to 2019.
- \* "If" you had insurance through the **Marketplace**. Form 1095-A is **A MUST**. You may have more than one.
- \* Rental income - see worksheet.
- \* Self employment (Business) income - see worksheet.
- \* Tips not reported to your employer.
- \* Foreign income.



## Expenses -

- \* Child Care Costs - separated between providers if more than one. Include how much paid for each child. Be sure we have your child care provider(s) name, address, tax ID or SSN.
- \* Student loan interest paid in 2024 (if you paid any).
- \* Education/Tuition Costs/Materials Purchased (Form 1098T, school billing statement, and other receipts).
- \* Real Estate Taxes **PAID** in 2024 on your home. (Also include other properties **IF** you can itemize deductions).
- \* Estimated Tax payments made to the federal and/or state government along with dates they were paid.
- \* IRA/Roth/Retirement Contributions you made. *Do not include any withheld through your employer.*
- \* Any contributions YOU made to an HSA - *not withheld by your employer.*
- \* Form 1099-SA that tells us the amount of distributions you used from your HSA in 2024.
- \* Purchases qualifying for an Energy Credit. Must be energy star qualified. Include receipts. If you purchased solar, geo thermal, or wind for your home, include any amount you received as a rebate from utility, state, or local government programs.

## IF ITEMIZING -

- \* Health insurance premiums that **YOU** paid. Medicare, prescription drug plan, supplemental, vision, LTC, and dental. *It must be paid by you, not deducted by your employer. Do not include any that are reimbursed, or used with tax free funds.* **WI residents will need this – even if you cannot itemize.** IL residents - only if you can itemize deductions.
- \* Charitable contributions - separated by cash/check and items donated. Any medical, vision, and dental out-of-pocket expenses, including mileage. Mortgage interest, for your principal residence and a "second home".
- \* **(WI residents MAY be able to itemize deductions on their state return and not on the federal—and should include the above).**



# IMPORTANT INFORMATION

You know the saying “One bad apple spoils the whole bunch”? Due to the increase in some preparer’s and taxpayer’s dishonesty, the IRS now requires preparers to ask YOU to show proof that you are eligible to claim the credits on your tax return. We then need to document the information. The credits this rule involves are the following:

## Do you have a child age 16 or under on December 31st, 2024? Is that child a dependent?

**Child Tax Credit/Additional Child Tax Credit** - Dependent children age 16 and under may qualify you for the child tax credit of \$2,000. The IRS requires preparers to ask you to show proof that your dependent child either lives with you, OR you are the noncustodial parent and have a Form 8332 from the custodial parent allowing you to claim the child on your tax return. Include the information to avoid any delays in your preparation. **It is more important if we do not have an “in person” meeting.**



**Custodial parents, please bring something to show your child lived with you in 2024.** School record, medical records, day care records, or social services records showing each child’s name and your address.

**Noncustodial parents, please bring your signed Form 8332.**



**Education Credits** - Clients who may qualify for any Education Credits will need the following information when you come to your tax interview appointment.

- 2024 Form 1098-T Tuition Statement from the education institution.
- You will need the student’s full “Billing Account Statement” showing all activity from the beginning of when the student started attending the educational institution.
- The amount paid for Course Materials (if applicable) in 2024 (including required books, supplies, equipment, but no computers).

If you have used any 529 funds for your child’s education, we will also need the room and board information (should be on the “billing statement”), along with computer, software, or internet access costs.



**Earned Income Tax Credit** -We must ask for documentation to show that YOU and YOUR CHILD lived together at the same address for **more than six months** of 2024. We must have documentation for **EACH CHILD’S** name, address of record and dates lived with you (if applicable). Acceptable documentation may include:

- **School records (not a report card) - printed online records are a good start**
- **Daycare records**
- **Medical records**
- **Social Services records - such as BadgerCare annual notification for 2024.**

**Self employed individuals need to bring copies of documents to substantiate your business income and expenses.**



**Head Of Household** - To file as Head of Household, you must provide more than 1/2 the cost of keeping up a home, and your child must live with you for **MORE than 6 months**. We may need to ask personal questions to verify that you qualify for the filing status. If you lived with another adult in the home, we may request that you fill out a worksheet “Cost of Keeping Up a Home” to determine which one of you is eligible. If you would like to determine if you qualify, we have the worksheets available for you at the office.

**PLEASE BE SURE TO INCLUDE ANY OF THE ABOVE IF IT PERTAINS TO YOUR SITUATION.**