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**FOR THE 2023 TAX YEAR**

**TIME AGAIN FOR THE ANNUAL FUNDING OF THE GOVERNMENT  
AS ALWAYS, THEY COULD REALLY USE THE MONEY**

**NEW ON THE WEBSITE**

There is a tab labeled “Tax Research.” It includes a long list of tax issues. Take a look through the list. There could be helpful information for items of interest.

**MAJOR NEW REQUIREMENT FOR LLCs AND CORPORATIONS WITH POTENTIAL PENALTIES**

The IRS wants to know who the more than 25% owners are, and any managers even without any ownership.

Although that info is on returns already, they want a filing done with FINCEN (Financial Crimes Enforcement).

For newly formed companies the deadline is within 30 days of getting the certificate from the state.

For 2024 there is a mini reprieve – the deadline is within 90 days.

For all LLCs and Corps existing prior to January 1, 2024 we have until Dec 31, 2024 to file the info.

The penalty for not filing is \$500 a day after the deadline.

Website: [fincen.gov/boi](http://fincen.gov/boi)

**If you are form a new company in 2024 the company or lawyer doing the formation has to register also.**

**Call me if you form a company in 2024.**

**SOME KEY POINTS OF CURRENT TAX LAW CHANGES**

This is by no means complete. I am highlighting areas that affect the majority.

For 2023, **business meals and travel meals** are back to being 50% deductible, not the 100% that has been used for the past two years. The deduction **does not apply to salaried employees**. It is only good for businesses: sole proprietorships, partnerships, and corporations.

All sales through third party payers (PayPal, Venmo etc.) of \$600 or more were to be reported to the IRS. Zelle doesn't count; it is a bank app. For now the IRS is sticking with the old rules that require a payment service to only report total payments over \$20,000 and if there are more than 200 transactions. However, income is income, and is taxable whether it is reported to the IRS or not. For

2024 tax year the IRS is going to phase in a lower threshold. As of now, if there are total payments of \$5,000 or more, the third-party payers will issue a 1099-K.

### **Kids**

Kids don't count anymore as dependents, but there are some tax credits.

The Child Tax Credit reverts back to \$ 2,000 for kids under 17 and \$500 for kids over 17.

Please provide birth certificates for any new kids.

The Child Care Credit for kids that are in pre-school, summer day camp, after-school programs etc. is based on a maximum expense of \$ 3,000 for one kid and \$ 6,000 for two or more.

Even if you received dependent care benefits through your employer, we still need to show the expense info.

We'll need amounts paid to care givers, their names, addresses and ID #s.

If the kids are in college, make sure to have the 1098-T from the college for tuition paid.

If you used a 529 account to pay for anything else besides tuition, i.e., room and board, school supplies and a computer, let me know the amounts. There should be a 1099-Q from the 529 college fund.

If kids have earnings from work or a business, you should look into a Roth IRA for them.

If you have a business, you could hire your kids, on proper payroll, if they are able to do meaningful work. If they are under 18 you don't have to withhold social security or Medicare tax.

All the kids' incomes whether from work or investments go on their own returns.

### **Energy Credits**

Residential energy-efficient property credits have been extended till Dec 31, 2032.

Many other energy credits have been improved and extended to Dec 31, 2032. Let me know if you did anything to your primary residence or second home.

Count solar, thermal, wind, insulation, windows, thermal doors, heat pump, etc.

There is also a new \$150 credit for an energy audit.

### **Important New Rules for IRAs**

If you turned 70 ½ on or after Jan 1, 2020, you had to start withdrawals when you turned 72.

You should have taken the distribution for 2023.

If you turned 72 on or after Jan 1, 2023, you have to start withdrawals once you reach 73.

There is a first-year wrinkle that might be a benefit. You can skip the first-year withdrawal and double up the second year.

The first of those second-year withdrawals has to be by April 15 of the new year. The second one by the end of the year. This would make sense if you were still working in the year you were supposed to start withdrawals, or if you otherwise had a higher than normal income.

You can of course start taking distributions penalty free once you turn 59 ½.

You can continue to deposit into an IRA even after 70 years old. You need to have earned income.

An inherited IRA must now be fully withdrawn within 10 years of the date of death. You are also required to take at least the minimum required distribution each of the years.

Spouses and minor children are exempt from the 10-year rule.

Also exempt from the 10-year rule are beneficiaries of the deceased's IRA that are fewer than ten years younger than the deceased. But RMDs are still required.

If you are over 70 ½ and regularly give to charity, you might consider making a direct payment to charity from your IRA. It will count towards the Required Minimum Distribution. We neither show the amount as pension income nor as a charity deduction.

It will lower your adjusted gross income for other issues such as Medicare monthly costs, and a lower income for the 7.5% deduction calculation for medical expenses. And if nothing else, it's like getting a charity deduction without having to itemize.

For 2023, the max IRA contribution is \$6,500 with an additional \$1,000 if age 50 or over.

Roth IRAs have the same contribution limits. Due April 15, 2024 for the 2023 tax year.

For either, there are income and work pension coverage restrictions. Call me if you have any questions.

For 2024 tax year (due April 2025) the new limit is \$7,000 with an additional \$1,000 if age 50 or over.

#### **401K Plans**

Small employers can join a larger group and share administrative expenses.

Talk to your payroll provider if you would like to offer a 401K program to your employees.

Employers with 11 or more employees that have a 401K program now have to automatically enroll new hires.

#### **401K and Student Loan Payoffs**

Employees paying off a student loan rather than contributing to their 401K can still get employer matches put into their 401K plan.

For tax year 2023, 401K maximum is \$22,500 with an additional \$7,500 if age 50 or over.

For tax year 2024, 401K maximum is \$23,000 with an additional \$7,500 if age 50 or over.

#### **Plug-in electric car credits**

Credits for Tesla and GM electric cars are back for 2023.

Other EVs qualify also.

There is a set of requirements for the car and the battery. The cars have to at least be final assembled in North America (Canada and Mexico count) and battery materials have to be 40% from the US or a friendly country. Percentage amounts are changing as the years go by. For 2024 it is 50%.

The max combined credit is \$7,500 --- \$3,750 for the car and \$3,750 for the battery.

In order to get the credit, large SUVs, vans, trucks can't cost more than \$ 80,000; smaller

cars not more than \$55,000.

Your income can't be more than \$300,000 married filing joint, \$225,000 head of household (have a dependent), or \$150,000 if single or married filing separately.

Some helpful links:

<https://www.irs.gov/newsroom/frequently-asked-questions-about-the-new-previously-owned>

<https://www.irs.gov/credits-deductions/manufacturers-and-models-for-new-qualified-clean-vehicles-purchased-in-2023-or-after>

<https://afdc.energy.gov/laws/electric-vehicles-for-tax-credit>

**Used EVs are now eligible for a credit.** The car has to be at least two years old and cost no more than \$25,000. Your income can't be higher than \$150,000 married filing joint, \$112,500 head of household (have a dependent), or \$ 75,000 if single or married filing separately.

The used EV has to be bought from a dealer.

The dealer is allowed to discount the price of the car by the credit. They will do the paperwork and the IRS will send them the money. Be careful that you do not go over the income limits even by a dollar or you will owe the credit back to the IRS. If things are close by November you might look for a losing stock to sell, or postpone some income, or increase your 401-K.

Let me know by November and we can go over some options.

### **529 to a ROTH**

Starting in 2024 up to a lifetime max of \$ 35,000 of unneeded money can be rolled from the 529 into the beneficiary's Roth IRA, max \$ 7,000 per year. The 529 has be open for at least 15 years and the money being rolled over has to have been in there for at least 5 years.

### **SOME KEY POINTS FROM THE 2017 TAX CUTS AND JOBS ACT TAX BILL STILL IN EFFECT FOR 2023**

For employees (W-2 earners) in the arts such as performers and musicians, also teachers, and other professions with high un-reimbursed expenses, things are vastly different from what we were used to.

Union dues, equipment, classes, agency fees, travel, car use, cell phone, etc. are not deductible against W-2 income on the federal return. We can use them on NY and CA and a few other states. Not NJ or CT.

From now on, try to get the employer to cover as many expenses as possible. The employer can deduct them. If necessary, it might even pay to get a lower salary in order to have the employer pay the expenses.

For businesses --- Self-employed, LLCs, Partnerships, Corporations --- all the expenses still

count; entertainment is limited to restaurants and other quiet business meals. No more sky boxes

Estates and Trusts can take all their related expenses.

For rental property and or kit rentals, we can still use all the related expenses.

For highly paid, salaried performers, we can do the math and see if forming a “loan out” corporation makes sense.

There are pros and cons, especially for a NYC performer.

New York, California and some other states are still allowing all the employee deductions.

The tax benefit is much smaller than the IRS, but if you have a lot of work expenses, it would pay to add them up. Keep all the receipts in good order.

For meals for entertaining, we need to show who you met with, their position, what was discussed (a couple of words) the amount and the date.

New York does a lot of audits of these types of expenses.

### **Some more of the 2017 changes still in effect**

If you own a business or have a sideline, there is a new 20% reduction of your business profit from Federal taxable income. Make \$80,000 in profit but pay tax on only \$64,000. In some cases, there are income restrictions.

The amount of the reduction is 20% of the business income or 20% of total net taxable income, whichever is less.

Rental real estate income would count for this tax break, but it has to be a real business, not just one or two apartments.

### **Mortgage Interest**

You can still deduct the interest up to \$1 million of home acquisition debt that was taken out before Dec. 16, 2017 or under a binding contract that was in effect before Dec. 16, 2017, as long as your home purchase closed before April 1, 2018. After that, on new mortgages, only the interest on the first \$750,000 of the mortgage is deductible. Real estate tax deduction in NY and other high-income tax states will be severely limited, even eliminated if your deduction for state income tax is already above \$10,000.

Home Equity Line of Credit interest is deductible if used for home renovations, business, or used for investments. If used to pay for college, go on a trip, buy a personal car, then the interest is not deductible. If there are mixed purposes, we have to allocate. A mortgage for a second home is still deductible. But it can't be a HELOC on the main house. It has to be a mortgage tied to the vacation home. The total of all mortgages is limited to \$750,000. The interest on mortgage principal above \$750,000 is not deductible.

**Margin interest is deductible up to investment income, not including long term gain.**

**Financial advisory fees are no longer deductible, nor are tax preparation fees.**

## **CHARITY**

Charity is only allowed now if you itemize. We can't take the stand-alone \$300, or \$600 on a joint filing, anymore.

Otherwise, charity is still good for consideration.

**However a little math** - state income and real estate tax is limited to a combined total of \$10,000.

The standard deduction that a single person gets is \$13,850.

So, assuming no expenses except tax and charity, the amount of charity has to exceed \$3,850 in order to be able to itemize. Married filing jointly standard deduction is \$ 27,700 and Head of Household is \$20,300.

Charity would have to be very high.

If you regularly give to charity, you should bunch every two years giving into one year.

Of course, If you do have really high medical expenses and or mortgage interest count any charity.

## **BUSINESS vs HOBBY**

A recent court case allowed a couple to deduct the expenses for their miniature donkey breeding business. They had all their records in order, joined professional organizations, went to fairs, had a website, advertised, had insurance and consulting expenses, and a plan of action that showed their attempt to make a profit.

So, can a hobby be a business? Yes, but you need all the trappings of a business, and you have to show honest attempts to make an income that would make sense for the expenses laid out. Of course, actually making a reasonable gross income is the best test. Even if there is a net loss.

Is it a hobby or a business you really enjoy?

If the IRS determines that it really is a hobby, the tax consequence are interesting. We have to count the gross income and we can't deduct the expenses on the federal return. We can count the expenses on the state.

It is very important to have all the trappings and character of a business.

Gambling losses are deductible up to gambling winnings. Gambling is neither a business nor a hobby.

## **THE IRS IS AGGRESSIVE WITH PENALTIES – THE STATES ALSO**

Most states are also deep in debt, amazingly in debt. If they were thrown a lifeline they would still drown. I would expect they are going to be very aggressive with higher taxes and penalties. The IRS has been sending out incorrect bills even though the tax was paid. If that happens, make a copy of the cancelled check and send it to them with a copy of their letter.

## **DO YOU HAVE A PARTNERSHIP OR A SUB S CORPORATION?**

It is really important that all returns are filed on time or have valid extensions. Late penalties for partnerships and Sub S Corporations are very large. Deadline for either type of return is March 15, 2024.

## **DO YOU NEED TO ISSUE 1099s TO PAYEES?**

If you have a business or freelance income of any sort and there are people to whom you paid

\$600 or more for the year, you have to send them a 1099 by Jan 31, 2024, and a set of matching documents to the IRS by Jan 31, 2024. You will need the payee's name, address, social security number, and the amount paid. 1099 filing can now be extended only if you are in a federal disaster zone, or you had a fire or flood. In that case you will need to fill out and file form 8809 extension form by the due date.

Not only do individuals get 1099s but also an LLC gets a 1099 as does a non-LLC partnership, or any kind of law firm. Non law firm corporations do not get 1099s.

A 1099 is only for people you pay of whom you are a client, i.e. website maintenance, legal, accounting, consulting, etc. People who, because of their conditions of employment in your business, i.e., they service your clients or work in your administration, need to be treated as employees. They need proper payroll filing, withholding, workers' comp and disability insurance, and are issued W-2s. You cannot treat them as fee paid. The penalties are spectacular for improper classification and not having workers' compensation insurance.

### **DUE DATES FOR RETURNS AND EXTENSIONS**

The personal returns or extensions are due April 15, 2024, extensions go to October 15, 2024.

The C Corporate returns or extensions are due April 15, 2024, extended until Oct 15, 2024.

The Partnership returns or extensions are due March 15, 2024, extended until Sept 16, 2024.

The S Corporation returns or extensions are due March 15, 2024, extended until Sept 16, 2024.

### **DO YOU HAVE A NY LLC?**

Either as an individual or as a partnership, there is a New York filing requirement for all LLCs: Form IT-204LL.

The amount of tax for 2023 is based on your 2022 gross income; the form is due March 15, 2024 The form is also due for non-LLC partnerships that have a million dollars or more in gross income.

### **RETIREMENT ACCOUNTS**

Once a year has ended, there's not much you can do to affect your taxes except for opening either an IRA or a SEP retirement account. You have until April 15<sup>th</sup> to open an IRA or a SEP. If you filed an extension, it extends the time for opening and depositing into a SEP **but does not extend the time for opening or depositing into an IRA**. There are all sorts of income restrictions if you are already covered by an employer or union pension plan. So, if you are opening a new IRA give me a call.

Rolling an untaxed IRA into a Roth IRA creates a taxable event. If you've had a horrible year financially and are in a very low tax bracket or maybe no tax bracket at all. you can rollover some IRA money into a Roth almost tax free. It has to be done by Dec 31. It is also a good idea to roll over a little into a Roth if you expect really good growth in the Roth. Note – the 2017 tax act is slated to expire starting with the 2026 tax year. The tax rates will go up a few percentage points.

If you are thinking of converting to a Roth no matter what, it would be better to do it before 2026. However, don't do so much that you move into a present high tax bracket. Of course, the rates may not change. Nothing is set in stone. A good time to rollover some IRA money into a Roth would be after retirement but before you are required to take IRA required distributions, between ages 65 – 72.

### **An important clarification on IRA rollovers**

You are only allowed to take money out of regular IRAs and replace it tax free within 60 days once every twelve months.

No matter how many separate IRA accounts you have, it is just once for the lot of them. Trustee to trustee transfers are exempted from the 60 day rule. So, if you want to move your IRA to another investment house or bank, make sure to have the institutions talk to each other and set up a trustee to trustee transfer. You should not touch the money.

### **529 COLLEGE SAVINGS PLAN**

These had to be funded by December 31, 2023 in order to be deductible. For a New York deduction the plan has to be a New York plan.

Up to \$10,000 of 529 plan money can be used to pay off student loans.

Employers can set aside another tax-free \$5,250 to help pay off student loans.

**NEW** -- If you overfunded the 529 and there is money left over after college is all done, the remainder can be rolled tax free into a Roth IRA for the beneficiary. Still limited to the annual limit and \$35,000 overall.

You could open two 529s. One for you and one for the kid.

The 529 has to be open for 15 years and deposits have to be in there for at least five years.

Bit of a timeline nuisance, but it is one more incentive for opening the 529.

### **FOREIGN ISSUES**

**Penalties for improper filing or non-filing are spectacular.**

Let me know:

If you have a foreign bank or brokerage account, or even if you are just a co-signer on a foreign account.

If you've earned any foreign interest or dividends, or made stock or property sales.

If you have foreign mutual funds. We will need the 2023 beginning and ending mutual fund statements.

If you have an interest in a foreign business or a foreign pension.

If you were given a gift or got an inheritance from overseas.

If you have foreign rental income or sold any property overseas.

If you have an insurance policy of any sort in another country.

Property owned in a foreign country as a second home or vacation home does not have to be reported unless rented for income. Some countries require a trust of sorts to own land. If so, we



have foreign trust filings to do.

Normal tax return extensions will extend the deadlines for these foreign filings (except for the trust income form 3520-A) but there must be an extension.

Even if you are getting a refund on an un-extended 1040 return, if there are foreign requirements you will be penalized. Make sure we have extensions done.

### **ALIMONY**

Alimony is no longer federally deductible by the payer nor taxable to the recipient. Alimony that was awarded by the end of 2018 is grandfathered. For NY tax, alimony is still deductible for the payer and taxable to the recipient.

### **SALES TAX**

You can deduct either the state income tax or the sales tax.

If you live in a no income tax state TX, FL, WA, NV, AK, TN, NH, WY, we should deduct the sales tax you paid over the year. There is a table based on income, but if you had some large purchases, i.e. a new car, major appliances, it might pay to make a list and a total of the sales tax paid.

### **NEW YORK STATE SALES TAX ON INTERNET PURCHASES**

If you have a lot of internet purchases of what would normally be sales taxable and have the merchandise shipped to NY and sales tax was not charged, NY wants the sales tax on those purchases sent in as part of your tax return. So, add them up and let's tell NY. Don't count sales where you paid sales tax to another state.

### **EXTENSIONS**

#### **THIS IS IMPORTANT**

You don't have to pay with the Federal extension. In order to avoid the 5% per month late filing penalty, an extension even without payment is okay. **However if you owe tax** with the eventual federal return, you will still be charged a combined late payment penalty and interest of about **1% per month of the amount owed**. So, if you know you are going to owe the Feds, pay what you can.

#### **The states require at least 90% of the tax to be paid with the extension.**

If you expect a refund there is no problem. If you expect to owe money to the states, it is necessary to send payment in with the extension. A New York resident who does a lot of work in a non-tax state, or a low tax state, or gets other untaxed income will probably owe tax to NY.

New York wants the extension payment paid electronically. We will need your bank routing and account numbers. I would recommend that you overpay a little with the NY extension.

A return, Federal or State, filed late, **without an extension will be charged a penalty of 5%** per month of the balance due on the tax return.

**FOR PERSONAL RETURNS, PLEASE HAVE ALL YOUR INFORMATION TO ME NO LATER THAN**

## **APRIL 1, 2024.**

The earlier the better. Otherwise, an extension is necessary. The IRS asks no questions as to why an extension is requested. It is automatically granted and causes no eyebrows to raise. Please call me if we need to do an extension.

The 2020 returns are still available for refunds if filed by April 15, 2024. If we are going to do a 2020 return, please have the info to me by March 15, 2024. After the deadline any possible refund is lost.

## **EXTENSION DEADLINES**

The personal extensions are due April 15, 2024, extended until October 15, 2024.

The Partnership and S Corp extensions are due March 15, 2024, extended until Sept 16, 2024.

The C Corporate extensions are due April 15, 2024, extended until Oct 15, 2024.

## **VERY IMPORTANT -----**

### **The most common problems that hold up completion of tax returns:**

1. If you sold stocks or mutual funds and we don't have the purchase date and purchase price info. Call your broker to see if they have the information. Ask for a schedule of realized gains and losses.
2. We don't have social security numbers for newborns or ID#'s for babysitters/child-care centers. We also need the names, addresses, and amounts paid to the babysitters/child-care centers.
3. We don't have the square footage info for business use of home office.
4. We don't have mileage info for business use of cars.
5. We don't have the dates for out-of-town business travel.
6. **We need the 1095-A form if you have health insurance through the exchanges.**

## **COLLEGE EXPENSES**

Let me know if you paid for college tuition and expenses for kids or for yourself. There should be a 1098-T form from the college and 1099Q if you took money out of a 529 fund. For 529 purposes tell me what room and board cost and required books and equipment.

Did you go to grad school? If the graduate courses are related to your business, the tuition may be deductible. It can't be towards a new line of business or a new licensed position.

## **RECEIPTS AND LETTERS ARE NEEDED FOR CHARITY DEDUCTIONS**

If you gave cash, put money into the plate in church, dropped a couple of dollars in the Salvation Army kettle, you will need to get a receipt. No more just writing it down in your diary or a heartfelt say so. If you gave \$250 or more at one time, it is necessary to get and keep letters from the charity. The IRS is strict about the letter. It has to say that you received no goods or services, or actually give a value for the goods and services received (usually the value of the dinner). The letter must be dated before the date the return is filed.

For a donation of goods (art, antiques etc) of more than \$ 5,000 we will need an official appraisal.

## **THE HEALTH CARE ACT**

For 2023 there is no penalty if you didn't have health insurance. Businesses with 50 or more employees still need to have insurance.

If you applied for health insurance through the exchanges and applied for a credit based on **estimated income**, be aware that when we do the return, you may be entitled to those credits, or you may owe some credits back to the IRS, or you may get more of a credit. Make sure to bring the 1095-A form that the exchange will send you.

## **MEDICAL EXPENSES**

All medical is deductible except optional cosmetic work, e.g., teeth whitening, face lifts. Payments made by a parent directly to the medical provider for the benefit of a non-dependent child are deductible on the kid's return. Medical expenses for dependent children are deductible on the parent's return.

## **HSA MEDICAL SAVINGS ACCOUNTS**

If you have a high deductible insurance plan, you may want to open a Health Savings Account (HSA) for 2023.

It is like an IRA for health care. You can put in up to \$3,850 for a single person or \$7,750 for married filing jointly (an additional \$1000 if you are 55 or over). If both spouses are 55 or over, you can do a \$1,000 each extra, but you need two HSA plans. The deposit is deductible like an IRA. You can use withdrawals tax free to pay for: medical care, glasses, dentists, drugs etc. You can use it to pay the deductible from your policy coverage. Your policy has to have at least a \$1,500 or \$3,000 deductible (single vs joint) and a maximum out of pocket of \$7,500 or \$15,000. The due date for contributions is April 15, 2024.

An HSA can be used in retirement just like a regular IRA. Take out what you want and pay tax on the withdrawal. But with a medical kicker. Those withdrawals are not taxable.

## **FOR NY WE CAN GET A CREDIT FOR LONG-TERM CARE INSURANCE PREMIUMS.**

## **WHAT TO BRING TO THE APPOINTMENT**

W-2s, 1099s, records of stock sales, interest and dividends. If you have health insurance through the exchanges, bring a copy of the 1095-A you will be receiving and the 1099-Q statement of withdrawals from college savings plans. If kids are in college we will need the 1098 -T for the tuition. Birth certificate for a new kid.

There is no rule about how you organize your expenses, but the best way is by category, not by date or project. You don't have to bring all the receipts for expenses, just a list. Bring anything you are not sure about.

Please see the worksheet tab.

## **THE IRS MAY START DOING MORE AUDITS OF BUSINESS.**

## **NY IS DOING A LOT OF CORRESPONDENCE AUDITS.**

Make sure you keep all your cancelled checks, credit card receipts and statements, out-

of-town contracts, and other info in good order for at least three years after the due date of the tax return, including extensions if extended. The IRS can ask for your QuickBooks and other electronic record-keeping data. The IRS has three years to audit a return. The normal due date for a personal return is April 15 unless extended to October 15.

If filed by April 15, 2021 the 2020 return cannot be audited after April 15, 2024.

If an extension was filed for the 2020 return it cannot be audited after Oct. 15, 2024.

The IRS is doing a lot of correspondence audits from Memphis and Cincinnati. Having experienced a few, I can tell you that they don't understand the New York lifestyle, and the process is lengthy. It usually winds up with no problems but be prepared to do a lot of photocopying. If you get a letter, let me know. New York State is doing many more audits than they did in the past. They are all correspondence audits.

### **ELECTRONIC FILING**

This year, as last year, we are required to do electronic filing. Refunds come a lot faster if they are **directly deposited into your bank account. When you get your tax return packet, review the return and make sure you send us the signed E-File allowance forms. We can't file without the E-File forms**

### **OFFERS IN COMPROMISE**

If you owe a spectacular amount to the IRS, it might be possible to do an offer in compromise. The offer is based on your current assets, including retirement funds and your after-tax cash flow. The IRS has instituted more reasonable guidelines. However, if based on your assets or cash flow you don't meet the requirements, they won't accept one. The best you could do is get a payment plan. If you listen to those middle of the night advertisements for tax help, you should listen closely to the quick speak ---"if you qualify." Most don't qualify. But if you do, it could be a great savings.

### **IRS RELATED SCAMS**

If you ever get an e-mail saying something like you have \$145.62 in a refund coming, it's fake. It is a phishing scam trying to get your personal information. Neither the IRS nor the State will ever e-mail you about anything.

If you get a call from a particularly harsh IRS collection agent threatening you with jail or asking for credit card information, it is fake. Don't give out any information. Take their phone number and tell them that you will give their number to your accountant who will have a power of attorney. I will call them. You could call the IRS (800) 829-1040.

### **ENGAGEMENT FOR PREPARATION OF TAX RETURN**

We will be preparing the 2023 tax return using material and information provided by you. Please keep that information available for at least three years from the due date of the return.

If there are additional returns or if there are inquiries or examinations by the taxing authorities regarding the 2023 tax return, that will be separate work and billed accordingly.

## **PRIVACY POLICY**

I am required to tell you about my privacy policy. I don't tell anybody anything to do with your return, your finances, or any personal information, except where required by law. There are a few issues that arise, like mortgage applications, but that is done on an individual basis and always initiated by you. I will need your approval in writing before any information is given out. If you have any questions about what's deductible, recordkeeping, the new tax laws, please feel free to call me.

For required due diligence, I will need the birth certificates of your dependents and the 1098-T for any college tuition paid.

There is a secure portal on our website, DavidgitelCPA.com. It is easy to use and load up with info. Let me know if you would like an invite.

I hope all is well with you, and I look forward to seeing you or working with you virtually. If you are sending me the material, please use the worksheets on the worksheet tab.

**If you are mailing me info, make copies of all the W-2s and 1099s and expense worksheets.**

David Gitel, CPA