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2024 Client Newsletter

Individual E-Filing Season for Tax Year 2023 opens January 29, 2024.

I would very much appreciate being your Tax Professional for this filing season and truly appreciate those who will be returning, thank you.

The last section of the newsletter has seven major tax law changes for this tax season, please review and ask any questions you may have. As of January 19, 2024, there is a bill in Congress (HR 7024) that if passed will be retroactive until 01/01/2023, we will react accordingly if the legislation passes.

Fees

I held my fees flat for two years. The Tax Professional Organization I belong to (National Association of Tax Professionals) did a fee study and my fees are low in comparison to the average fee for our region. When you get me all your documents, I will quote you a price for preparation. If I forget please ask.

Website

In the Fall I updated my website <http://qtaxllc.com> please check it out.

Subscribe to our monthly newsletter: Our website hosts our current tax-related newsletter and an archive of past newsletters so that you can keep up to date on what is happening in the tax world. Or have the latest tax-saving tips and news sent directly to your email inbox! Go to the Newsletters menu tab and subscribe by adding your email address.

Download forms and checklists: Be prepared for your tax appointment by downloading and filling out the information before you have your meeting. This step will save lots of time at the appointment and make the whole process proceed smoothly and effortlessly. A tax appointment checklist can be found under the 'Resources' menu.

Review financial calculators and tax resources: Want to find out how much your mortgage payment would be if you refinance? How much do you need to save each year for your child's college education? <http://qtaxllc.com>, click on the 'Resources' menu tab and choose from many different subjects that may interest you. Also included under Resources are links to updated tax forms, organizers, tax due dates and 'Where's my refund?.'

Use the Secure Client Portal to securely send and receive files: Need to send a confidential document to us (like a W-2 or 1099) or access files? Send us a request by email and we will create an account within our portal. You can then log in to the portal on our website and upload a document.

Conveniently and securely access your current or prior-year tax returns from your computer or mobile device. All files are encrypted using 256-bit SSL (Secure Sockets Layer). This is the same security used by banks and many e-commerce sites such as Amazon.com.

Portal/Documents/Security/Organizer

There is a new **Portal** for you to upload/download documents, please do not send anything to the old Portal (it should go away on 02/01/2024) as I cannot access them. When you are ready to send your documents, please send me an E-mail and I will get you set up.

Everyone will need to use the Portal, if only to review your tax return before filing. For security reasons I can no longer E-mail an encrypted copy.

Ways to get me your documents.

1. Use the Portal, quickest most secure method.
(Please send PDFs, if possible, I can do JPEGs, but it takes a bit more work)
2. Mail is slower and if a document is missing becomes even slower!
3. Meet me somewhere, I am planning to come to the greater Nashua area on 02/15 & 03/15, I also plan to go to Panera Bread 75 Fort Eddy Road, Concord on 2/17 & 03/16. For those in the Lakes region we can set up a pickup date.
4. **DO NOT E-MAIL** documents (encrypted or not) with PII (Personally identifiable information), if you E-mail me PII I will

double delete the first one and give you a warning, if you send a second E-mail I will double delete and cancel the engagement.

Security is very much on the minds of the folks in the financial services industry. Identity theft, financial schemes, etc. are on the rise. I have a quarter of a million dollars in cyber security, a written information security plan, pay a security company to review my systems and protocols, and pay attention to updates/warnings. I will not compromise on my security plan (see above about E-mail), which is good for both you and me.

EVERYONE must complete the **Organizer!** You can download the proper Organizer (Thanks for the reminder Kristy) from my website <http://qtaxllc.com> under the Resources Tab, or I can E-mail you a blank copy. The first two pages of the Individual Organizers are vital. I have been asked "Why do I have to fill out one each year" I don't know if you changed bank accounts, had a child, bought virtual currency, inherited money in Italy or got a new driver's license, etc. so I you fill out the organizer every year.

Tax Tips

In 2022 I started posting the Tax Tip Of the Week on FaceBook [QTax, LLC | Meredith NH | Facebook](#) and LinkedIn [Scott Rosenthal, EA, MBA - Business Owner - Qtax, LLC | LinkedIn](#) some good information, please follow me there.

7 Major Tax Changes to Know for this Tax Season

Tax rules and regulations continue to change rapidly, and we continue to monitor ongoing tax changes so that our clients get the best tax advantages available, while also being protected from tax changes that can create risks and problems.

Here then are seven major tax changes to keep in mind as this tax season begins:

1. The IRS postponed a new rule that was supposed to take effect this year, which would have caused many millions of people to receive 1099's for money received via digital payment services such as Venmo, CashApp, and PayPal.
2. A government agency called the Financial Crimes Enforcement Network, or "FinCEN" for short, has put in place a new requirement for "smaller" business entities (20 or fewer full-time employees). The due date is 01/01/2025 for entities in existence

before 01/31/2023. The due date for entities started after 01/01/2024 is 90 days after establishment. These business entities, such as LLC's and corporations, must now file a "Beneficial Ownership Information Report" that gives FinCEN information about who owns and who controls those business entities. If you own or control part/all of a LLC or corporation that has twenty or fewer full-time employees, please mention this to me so that I can direct you in the best ways to file. Qtax, LLC will prepare and file the report if you request. We will not begin to prepare before June 1, 2024, for pre-existing entities. Penalties for non-compliance with this new rule are extremely severe.

3. "Green energy" tax credits for homeowners, landlords, and vehicle owners have changed and, in some cases, improved. If you invested money into solar panels, energy efficient windows or doors, electric vehicle(s), or anything else related to green energy, please provide the details of what you purchased, the date of purchase, and the amount invested to us so that we can maximize any applicable tax breaks.
4. The IRS is trying to allow taxpayers to "self-service" more of your needs on their website, rather than needing to call IRS by phone. You can now view much of your own tax information such as past due tax amounts, income amounts for each year you filed taxes, etc. by starting an IRS Online Account and logging into it: <https://www.irs.gov/payments/your-online-account>
5. Student loan repayments have started up again (for most people) after the COVID-induced "pause" in repayment requirements. To lighten the burden, IRS has a new rule that allows certain employees to count their student loan repayment as a 401K contribution for the purposes of "employer matching." If you are paying back a student loan and your employer has a 401K matching policy, this option should be explored, as it could result in some "free money" being put into your 401K by your employer.
6. The IRS is targeting people who have been making money with cryptocurrency but not reporting or paying taxes on it. IRS has successfully sued several of the biggest cryptocurrency exchanges to force the exchanges to give the IRS data about certain of its users for the purposes of collecting tax. And the Treasury Department has announced that 1099's for cryptocurrency will start to be issued sometime soon, in 2025.

7. As you saw in the news, the IRS received from Congress, through the "Inflation Reduction Act," a massive amount of new funding over the next 10 years. Forty-seven percent of the new funding is allocated for enforcement, meaning additional tax collection efforts such as IRS audits and IRS letters. Please make sure to *only use tax professionals who back up their work year-round, rain or shine* (we do).

We hope this does not sound like "gloom and doom"! That being said, a lot of the more important tax changes do revolve around the IRS desire to collect more taxes.

IRS recently announced that the "Tax Gap"--the difference between the amount of taxes actually collected per year and the amount that would be collected if everyone reported all their income--is \$688 billion per year for tax year 2021. In 2016, the IRS had that number at \$496 billion. From IRS point of view, then, that number is going in the wrong direction...

No reason to be "afraid," but yes reason to be *informed*.

We hope this communication helps you feel informed, educated, and empowered, and we hope to see you soon to help you with any of your tax needs.

P.S. Thank you for your referrals of friends and family--your recommendations and referrals mean the world to us, and we appreciate them greatly!