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# HARTLEY

Tax & Accounting, LLC

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\*\*\*\*\***Greetings to clients and friends,**

**WHAT A YEAR** we've had at HTA! We are so appreciative for all of you. We do our best to prepare all our clients various returns and we are happy that all that we have are given our best professional care (specifically, in the 12 week time crunch that we work within) in processing. We do take the time we need to make sure each return is properly and professionally prepared. We have added additional staff this tax season for a new process this year which will give our tax preparers more time to spend on each return!

We have been working all year with issues that have been created (many times) by the un-organization and erroneous input of the IRS. Many times, we have held on the phone for over an hour before reaching an agent and many times we have been on hold just to be told they do not have agents that can answer our questions that day. Due to this additional workload, we are going to request (if the issue is due to you, our client, or the IRS) a \$50 fee to resolve the issue. On average, it is taking us over two hours (sometimes 5!) to resolve the issue.

Concerning our fees for service this year, there will be a \$10 increase. We do our best to keep all our expenses down. This increase is mainly reflective of our increase in personnel wages. I will always keep and continue to search for the best employees to put forth the best product (your tax returns) for you to be able to receive every tax credit and deduction in which you are entitled.

We also provide you with professional tax planning and tax advice during the tax season. Please let us know if you ever have any questions concerning your return and/or the results of your returns. We always want you to understand your results especially if they are different from your expectations.

If, after tax season is over, you would like a 'withholding' check-up due to new income and/or a new job; if you moved and have new jobs in a new state; or if

you are planning on retiring and need help with your retirement withholdings; we offer this service all year long. The fee depends on the time needed to collect all data, ask questions, and calculate the new withholdings. On average this is approximately 45 minutes which would be a \$75 fee.

If you have any questions concerning tax deductions or tax credits or ministry tax questions, we are here to help and more than happy to do so for our current clients at no charge.

CONCERNING 2023 tax changes, there are many! First please be aware that

### **IF YOU HAVE AN 'LLC' OF ANY KIND**

you are required to report information to the U.S. government about who ultimately owns and controls your company. It is the result of a 2021 law, the Corporate Transparency Act (CTA) which requires reporting companies to file reports with FinCEN, the Financial Crimes Enforcement Network. Your company is a reporting company if it is a corporation, a limited liability company (LLC), or other entity created by the filing of a document with a secretary of state or any similar office in the U.S. A sole proprietorship will be included in this reporting if you filed with the secretary of state and requested an LLC. As of this date we do believe certain trusts will have to file this report. There are 23 types of entities exempt from the beneficial ownership information (BOI) reporting requirements. They include publicly traded companies, nonprofits, and certain large operating companies. You can go to 'FinCEN's Small Entity Compliance Guide for a checklist that may help determine whether your company qualifies for an exemption. The form is not available as of this date. It should be ready by January 1, 2024. **There is a \$500 a day penalty each day the violation continues as well as criminal penalties of up to two years imprisonment and fine up to \$10,000 if you do not comply.** If you would like HTA to file this for you let us know. It will be a \$25 fee. We have to obtain the correct information from you and make sure you are filed correctly

-The Child Tax Credit is \$2,000 per child (0-16) and a \$500 dependent credit for 17 and older. There is also, again, a maximum limitation of \$1400 for the additional child tax credit.

-If you are 73 or older MAKE SURE you are taking your Required Minimum Distributions! If you do not know about this, please ask us.

-Tax rates did not change but the brackets are wider than 2022. (Due to inflation)

-More clients will receive 1099-Ks this year! (Please make sure you give us all tax documents you receive!). Third party settlement networks (PayPal, Venmo) will send out 1099-Ks if you were paid over \$600 for goods or services. This is a huge issue this year.

-Maximum contribution limits for SIMPLE IRAs, \$15,500 (plus extra \$3,500 people 50 or older)

-Traditional and ROTH IRAs \$6,500 (plus additional \$1000 for 50 or older)

-Teacher deduction remains \$300

-Please let us know if your child has over \$1250 UNEARNED income

-Standard mileage rate for 2023 increased to 65.5 cents per mile

-Children (dependent) tax returns will be \$20 per child. Once your child is no longer a dependent, we will charge our regular price (less \$45 discount the first year).

-How long should you keep your tax returns. We believe seven years is good in most cases BUT if you have old depreciation on an asset you still own or old stock values in your older return folders and such – keep those as well).

-We will do our best to extend all tax returns when information to process comes in after April 1<sup>st</sup>. Please call us to make sure your returns have been extended. Also PLEASE NOTE extending your return stops any late filing penalties but not late paying penalties. Ask us for a voucher if you believe you might owe.

OUR NEW SECURE PORTAL! – For two years, we invited all our ministers and missionaries and out-of-state clients to our new secure portal. It was a great

success! Approximately 1,000 use it. We are very pleased with the process. We worked hard to tweak it so that past glitches do not happen again. If you would like this service (you can put all your tax documents in the portal, receive your returns this way and submit your signed and dated efile forms) please call our office. Be prepared to give a good email address for us to use.

PLEASE DO NOT submit tax documents to the portal until you have gathered ALL of them. This was one of the glitches that slowed the processing down quite a bit. We will also verify with you that you have submitted all your documents. Your return will be put in the 'ready to be worked' process once we receive verification from you that we have all your information. We do understand that there may be times when an unexpected tax document shows up after. Please call our office and send a message and upload document to the portal so we can merge the new data.

The next page is for ministers and missionaries. Please disregard if you are neither.

As always! Thank you for your business and all your wonderful referrals! We really do appreciate you!

Wishing you a happy and healthy 2024!

Jean Hartley, CEO, EA

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