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Dear Client

As the year winds down, the tax reporting forms begin to arrive, and we want to remind you which ones we need you to accumulate and send to us with your tax information. First, there is a new form, the 1099-K that many of you will receive this year for things like eBay or Facebook Marketplace sales, and sometimes for simple cash transfers using a cash between friends app such as Zelle, CashApp or Venmo.

If you receive a 1099-K this year please make sure to provide it to us, and be prepared for a phone call and some questions from us so that we can report it properly to minimize income tax or determine that tax does not apply.

We still need the annual information forms that are sent to you for tax purposes. As a reminder, here is a simple checklist:

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| <input type="checkbox"/> W-2 for wages | <input type="checkbox"/> W-2G for gambling | <input type="checkbox"/> 1099-Int for interest |
| <input type="checkbox"/> 1099-DIV for dividends | <input type="checkbox"/> 1099-B Brokerage | <input type="checkbox"/> SSA-1099 Social Security |
| <input type="checkbox"/> 1099-NEC for income | <input type="checkbox"/> 1099-Misc for income | <input type="checkbox"/> 1099-K for income |
| <input type="checkbox"/> 1099-R for retirement | <input type="checkbox"/> 1099-G for refunds & unemployment | |
| <input type="checkbox"/> 1098-Int for mortgages | <input type="checkbox"/> 1098-T for tuition | <input type="checkbox"/> 1099-SA for HSA's |
| <input type="checkbox"/> K-1 forms from investments in S corporations or partnerships | | |
| <input type="checkbox"/> Form 5498 for IRA values <input type="checkbox"/> IRA and Roth IRA contributions for 2023 | | |
| <input type="checkbox"/> Child care costs, and the name, address, amount and ID # of the recipient | | |
| <input type="checkbox"/> Charitable donations-total amounts and recipients | | |
| <input type="checkbox"/> Property tax paid on your home, property or cars | | |
| <input type="checkbox"/> Estimated tax payments and dates | | |
| <input type="checkbox"/> Any letters you received from the IRS or state tax authorities | | |
| <input type="checkbox"/> Our engagement letter | | |

If you have a small business or rental property, we can provide you with a separate checklist for those activities if needed.

Please keep in mind the requirements of issuing 1099's.

It is imperative that all farmers and business owner's & rental owners issue form 1099-NEC (New form started with tax year 2020) for any payments you make for services that are \$600.00 or greater. Rental payments that are \$600.00 or greater continue to use the 1099-MISC. These forms are due January 31, 2023, and the IRS has increased the fines for non-compliance and are currently increasing enforcement through audit efforts. We are happy to assist you with the preparation of the 1099's.

Again, IRS scrutiny of foreign accounts means that you need to be absolutely clear about any non-US accounts or income so that we report it correctly.

Cryptocurrency activities continue to cause major tax problems for people that believe it is not reportable. Bluntly, cryptocurrency is taxable, is reportable, and carries incredible penalties for not reporting, so make sure to discuss it with us if you dipped your toes in that water.

Office Operations

1. Our office will be preparing taxes three ways this tax season. 1. Drop off - where you simply drop off your questionnaire and tax info, we prepare the return, and we notify you within a week for pickup 2. Meet and greet - you schedule an appointment with our office, we meet with you to discuss tax issues, questions, etc., we prepare the return after the meeting, and we notify you within a week for pickup 3. Full virtual, no contact tax preparation through E-Delivery - allows for you to send tax information through a secure portal, receive your copy of your return in a pdf format, allows you to sign all necessary forms electronically, and make payment for our services. Just call our office and we will send you your link to the portal to get the process started. We will not be performing prepare while wait services this year.
2. We do not automatically file income tax extensions for our clients, you must contact our office via email or fax to request us to prepare an extension. There will be a \$25.00 service charge for tax year 2023 for preparing extensions.
3. Due to the many tax law changes that have occurred over the last 4 years, not all your relevant tax information comes to you with your tax forms. Therefore, we will not complete any returns that do not have a fully completed 2023 Client Questionnaire with their tax information. We apologize for any inconvenience, but this is necessary for us to have this information to accurately prepare your return, even if you have completed one in the past.
4. Additionally, we need copies of current drivers' licenses each year for the taxpayer and spouse at the time of drop off, this is a new requirement as a result of the increasing incidence of identity theft.

New Developments

With the increase of potential identity theft, in certain cases the IRS is issuing Identity Protection PIN (IP PIN) to taxpayers, or if you have been a victim of potential identity theft you can request a PIN # be issued. If you receive a letter from the IRS that notifies you of such a PIN, you must provide us this information at tax time, as this number is necessary to file your return.

New credits for home improvements went into effect this year and can provide you with tremendous tax benefits. If you installed a new furnace, A/C, boiler, heat pump, water heater, woodstove, windows, doors, insulation, solar or battery storage please be sure to provide us with a copy of the invoice.

Similarly, if you bought a new electric or hybrid car in 2023 please be sure to provide that invoice copy as well.

Every year we are reminded how much we value your business, and we want to once again say thank you. Please call us with any questions.

Sincerely,



Mark A. Frazier CPA



Kim J. Fallon CPA