

January, 2024

IRS E-File opens
January 29, 2024

Introducing:

- **Safe, convenient online file transfer**
- **Send documents**
- **Receive documents**
- **Anytime**
- **Anywhere**
- **Mobile-friendly**

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The Tax Ladies, Inc.

New Tax Form May Be Coming To You Soon

There could be a new tax form coming to your mailbox. IRS Form 1099-K was first issued in 2012 by banks and credit card merchants to taxpayers who received over \$20,000 or have over 200 transactions. With the increase in payment apps and online marketplaces, the IRS is changing those limits.

The IRS has delayed the requirement for third party settlement organizations to issue Form 1099-K to individuals with at least \$600 of payments and no transaction threshold for 2022 and 2023. The IRS will treat 2023 as a transition year.

The IRS expects a large number of taxpayers to be affected by the new law. The threshold for 2024 will be \$5,000 as part of a phase-in to implement the \$600 reporting threshold.

Payment card companies, pay-

ment apps, and online marketplaces are required to fill out Form 1099-K and send it to the IRS. They must also send a copy to you by January 31.

Here's some examples of how you may receive a Form 1099-K:

1. A friend pays you for a meal
2. A family member gives you money for a birthday or holiday gift
3. A roommate pays you their portion of the rent or household bills
4. You accept payment for something you sell on social media
5. And the list could go on and on.

If you use a payment app or online marketplace and receive over \$5,000 you will possibly

receive Form 1099-K. If you accept payments on different platforms, you could get more than one Form 1099-K.

And the IRS will be looking for that income to show up on your tax return!

In order to properly complete your tax return, we will need to know WHY you received the money reported. Money you received from family and friends as a gift or repayment for a personal expense are not taxable income. But how is the issuer to know.

Please be sure to note personal payments on these payment apps when possible. The responsibility to substantiate entries, deductions and statements made on your tax return is known as the burden of proof. And the burden of proof falls on you.

Be Careful With Tax Credits

Many people are being misled when it comes to tax credits. This happens frequently with home energy credits and vehicle credits.

Many tax credits are refundable. This means the credit could reduce your federal tax liability to zero and some or all of the remaining credit could be a federal refund. Others are non-refundable. Non-refundable credits can reduce your federal tax to zero. Some non-refundable credits can be carried over to the next year, and others can not.

I've heard of some companies using tax credits as a method to close a sale. Leading the buyer to believe they are going to receive the promised credit when they file their tax return.

A good example is solar panels. You could receive 30% of the cost as a tax credit. However, it is a non-refundable tax credit. The good news is, any unused credit can be carried over to next year.

Another good example is the electric vehicle tax credit. If you purchase a qualified electric vehi-

cle you could receive a tax credit of up to \$7,500. This is also a non-refundable tax credit. Any unused credit cannot be carried over.

Currently the only refundable personal credits are:
Additional Child Tax Credit
American Opportunity Credit
Credit for Federal Tax Paid on Fuels
Earned Income Credit
Premium Tax Credit
Excess Social Security and RRTA tax withholding.
Be careful! Don't be misled!



\$1 MILLION

TAX AUDIT DEFENSE™



3 Years Federal & State returns and
1 full year ID Theft Protection

Individual and Business Returns!

*You really can't
beat the game. If
you earn anything,
it's minus taxes. If
you buy anything
it's plus taxes.*



**A little tax planning
can save big tax dollars**

Audit Assistance & ID Theft Restoration

We have, once again, partnered with Protection Plus to provide all our 1040 clients with Audit Assistance and Identity Theft Restoration services. And this year there is no additional cost to you!

Identity theft incidents are increasing every year. One in twelve people are victims of having their identity stolen.

Protection Plus is the leading provider of these services. If you receive a letter from the IRS or state, you have a designated pro working on the issue to the end.

- **Tax Audit/Inquiry Assistance** With only a phone call, you will receive the assistance you need with your Federal and state return for up to three years from the date filed.
- **Identity Theft Restoration** 24/7, 365 Access to Identity Theft Restoration Advocates who will provide comprehensive, personalized recovery services.
- **IRS Identity Theft Assistance** If you experience problems in filing your tax return due to a suspected identity theft incident, Protection Plus will interact with the IRS on your behalf.
- **\$2,500 Preparer Error Guarantee** If a legitimate preparer error is made during the filing of your return, you can be reimbursed up to \$2,500.*

* Subject to the terms, conditions, limitations and exclusions outlined in the agreement

Something New

Would you like to receive an electronic tax document checklist and custom tax organizer? If we have already set you up with your own secure portal, you should have received yours by now. If you don't have your own secure portal, let us know and we'll get you set up and send you your personalized organizer.

Our portal allows you to upload W-2's and other tax documents. It allows us to upload finished tax

returns and other documents. You can request to sign your tax return and pay your preparation fees electronically.

Don't risk sending confidential documents openly by fax or email. Send us your email address, first & last name and daytime phone number to TaxPrep@TaxLadiesInc.net

We'll get you setup and send your personalized organizer.



2023 & 2024 Side by Side

	2023	2024
Business Mileage	65.5¢	67¢
Medical Mileage	22¢	21¢
Charitable Mileage	14¢	14¢
Max IRA Contribution	\$6,500	\$7,000
Max IRA (over age 50)	\$7,500	\$8,000
Max 401(k) Contribution	\$22,500	\$23,000
Max 401(k) (over age 50)	\$30,000	\$30,500

Standard Deductions	2023	2024
Single & Married Separate	\$13,850	\$14,600
Married Joint & Surviving Spouse	\$27,700	\$29,200
Head of Household	\$20,800	\$21,900

2023 Document Checklist

- Social Security cards for all people on the return
 - 2022 Tax Return
 - Health Insurance Form (1095-A) for health insurance payment assistance
 - Income information for each dependent on your tax return.
 - Final pay stub for 2023
 - IRA & ROTH contribution information
 - Quarterly estimated tax payment information
 - Total out of pocket medical expenses paid: Doctors, Dentist, Hospital, Lab, Prescriptions, Eye glasses, Contacts & supplies, etc.
 - Personal property tax paid for vehicles, boats, etc.
 - Real estate taxes paid
 - Mortgage interest statements (Form 1098)
 - Documented charitable donations. IRS requires written acknowledgment from a charity for any single contribution of \$250 or more.
 - Child care information: Name, address, SSN or EIN of provider and amount paid
 - If you have dependents to be listed on your return, you **must** provide documentation the person lived with you
 - Tuition statements (Form 1098-T), financial transcripts and proof of payments
 - Driver license or state issued ID. Many states are requiring information on the return to avoid fraud
 - IRS letter assigning Identity Protection PIN (IP PIN) if applicable
- Ask for your customized tax planner

Checklist for the Self-Employed

If you are self-employed, own a business or have rental property additional documents are required.

- Total gross income and/or your 1099NEC forms
- Cost of ending inventory as of 12/31/2023, if applicable
- Mileage logs
- Total expenses by category
- Description, date purchased and cost of equipment or

major purchases

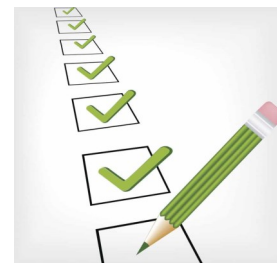
If you have a room or area in your home used REGULARLY & EXCLUSIVELY for your business, you may qualify for an Office In Home deduction. We will also need the following information:

- Square footage of office area & square footage of your home
- Home owners/renters insurance paid
- Utilities

- Repairs

If you paid \$600 or more to an individual, you are **REQUIRED** to issue a 1099NEC by January 31. If your business has employees, you are **REQUIRED** to issue W-2 forms also by January 31. Penalties are \$260 per form if submitted more than 30 days late.

Businesses required to file with the state SOS will be required to report business owner information to U.S. Treasury Financial Crimes Enforcement Network (FinCEN) beginning Jan. 1, 2024.



To use a more detailed checklist or a tax planner, visit our website:

www.TaxLadiesInc.net

Checkout the
Income & Expense
worksheets

available in the
brochure section of
our website:

www.TaxLadiesInc.net

Office Info

Please call the office to schedule your appointment as soon as possible. Our schedule fills up quickly. Be sure to let us know if you are needing us to prepare more than one tax return, such as returns for dependent children.

For the Do-It-Yourself type, you may want to consider using our online tax filing program. For only \$25 you can file your Federal return and as many states as you require. Just scan the QR code to learn more.



OFFICE HOURS

Tax Season

Mon–Fri 9am–7pm
Saturday 9am–3pm
Sunday Closed

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The Tax Ladies, Inc. Privacy Policy



**It is our policy
To protect your privacy**

Stated as required by law:

As your tax preparer we collect nonpublic personal information about you from various sources including the following:

- Information we receive from interviews regarding your tax situation
- Information we receive on applications, organizers, or by other means, such as your name, address, telephone number, social security numbers, dependents, income and other tax related data
- Information from tax related documents you provide that are required to process tax returns, such as Forms W-2, 1099R, 1099INT and 1099DIV and stock transactions, etc.

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as requested by our clients or as required by law.

We restrict access to nonpublic personal information concerning you, except to employees who

need access to such information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic information.

If you have questions about our privacy policy, please contact us.