

December 2023 H & R Pye's Tax Saver

I hope that you and your family have had a happy and healthy year!

I want to thank all of you for your patience this year. When Ron and I started our business in 1986, we did everything that year and it was several years before we hired help. I always knew the staff was doing a great job but thought since I was reducing my client base, I should be able to stay on top of everything.

Well, I now know what I need to do to run my office efficiently. My new office is almost ready. The last step is to have a breezeway built from our house into my office. That is supposed to happen this week.

Please mail, overnight mail, or email your tax documents to me at least 1 week before your appointment. **If you are emailing, please put tax appointment in the subject line;** this will ensure that I find your emails easily.

I will review your documents when I receive them. If you have not included the filled in personal and/or specialty checkoff lists as well as the signed engagement documents, I will notify you what is missing as I will not prepare your taxes until I have all the documents. This could delay your appointment. You can go to our website www.pyestax.com to get the documents that you need to fill out, sign and send to me.

I plan to call you at the beginning of your appointment just to touch base. I will work on your return and call you or email you with any questions. Please be available during your appointment time. I will call you again when I have finished your return.

We strive to have no homework, but I do understand when it is delayed due to outside forces. By filling out the checklists, you are telling me how many of each type of documents you have. This is also a good way to remind yourself of what you need, and to share that information with me.

As you may remember, I have not increased my prices for 3 years. I have decided again not to raise my prices as a thank you for your patience with me this year. If you need new or different forms your final cost will be higher. Your tax package will be mailed to you for a charge of \$12 or \$18 for a large package.

Let's save on postage. I do not need all of your donation receipts, please make a list of donations by charity – need money donations separate from nonmoney donations. This also applies to medical, rental and business receipts. **I only need totals.** Keep all your receipts in case you are ever audited. I recommend you put your receipts in your tax package when you receive it.

If you end up with homework delaying my ability to finish your taxes by June 1st, you will incur a late filing fee of \$150.

Tax Tidbits

Here are some of the new tax laws:

Teacher expenses up to \$300 for kindergarten through 12th grade, you have to teach for at least 900 hours.

Required Minimum Distributions (RMD) now begin at age 73 for those born in 1951 or later. If born in 1959 or later, the RMD starts when you reach 75.

30% Wind and Solar Energy Credit extended through 2032. Drops to 26% in 2033.

Energy Credits – please make sure I know what you did, have the manufacturers' statement that it qualifies, and how much you spent. Installation costs may be able to be included.

HSA contribution limits go to \$3,850 self-only; \$7,750 family coverage. Individuals over 55 years old can add \$1,000. If both spouses are over 55, then they each can add \$1,000 for a total family contribution of \$9,750. Once you turn 65, you can no longer contribute to your HSA, but you can prorate the amount for the part of the year before you turn 65.

401k, 457, and 403b limits go to \$22,500 for those under 50 and allows an additional \$7,500 for those age 50 or above. As long as you are still working at a company with these plans, you can continue to contribute to them. Also, you are not required to take your RMD from the plan at the company at which you are still working. But even if you are still working, your RMDs for other plans, IRAs etc. still apply.

The Simple IRA allows \$15,500 annually with an additional \$3,500 at age 50 and above.

Sep IRA maximum contribution is \$66,000.

Traditional IRAs and ROTH IRAs stay at \$6,500 with an additional \$1,000 starting at age 50.

You can gift up to \$17,000 to anyone you wish without having to file a gift tax return.

Charitable donations – you need a confirmation letter from the charity for donations of \$250 or more. The letter must be **dated before you file your tax return**. They are really serious about having the proper receipts. Cancelled checks for under \$250 is fine. However, if you have made several donations that add up to \$250 or more you must get a letter from the charity.

Business meals are deductible at 50%. Entertainment is no longer deductible. You can deduct 100% of holiday parties for your crew and clients.

As always, I look forward to assisting you with your tax needs.

Happy Holidays!

