



TAX YEAR

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2022

Dear Client,

This year our newsletter is designed to give you the guidance for the information we need to prepare your 2022 individual income tax return. We will once again ask you to sign the annual tax return engagement letter.

The Child Tax credit, if you are eligible, will drop back to \$2,000.00 for 2022 tax year. There will be no charitable deductions unless you can itemize. Child and dependent care credit decreased for 2022 also. Teacher purchased expenses increased to \$300 per educator.

Deductions

We still need to accumulate the information on your 1) medical, 2) state income and property tax and to complete your state tax returns. Employee work related business expenses are no longer deductible on the Federal return, but we may still need the information for your state return, and if you incur a lot of these types of expenses, you need to discuss the use of an accountable plan with your employer. With many folks working from home this year a simple tool to help is to see if your employer has an accountable plan to reimburse you, tax-free, for the business use of your home.

Compliance

Did you or your spouse buy, sell, trade, or hold virtual currency in 2022? If yes, please provide documentation. To prepare your return this year we are required to obtain all your W-2's, 1099's from retirement, interest, dividends and brokers, Forms 1095 for health insurance, bank Forms 1098 Forms and any other official IRS documents.

As most of you know, constant changes in tax laws are happening and we are here to answer any questions you may have. Enclosed you will find the 'check list' for your convenience on gathering all your information to prepare your 2022 tax return. It is also helpful if you review last year's return to see what documents you need to turn in. This helps us in delaying the preparation of your return. **Please inform us of any address, phone, dependent or bank changes that have occurred since you filed last year. If you have a new dependent, we will need a copy of their social security card and birth certificate.**

As stated, it is especially important we are informed of any life changes to help us determine your filing status. This includes marriage, divorce, new dependent(s), and past dependent(s) no longer eligible to be claimed. If divorced, which dependent(s) do you claim?

You may also receive a 1099INT or 1099DIV reporting interest and dividends. Some companies send this information with your year-end statement. 1099B can be as late as February 28th before you may receive it.

Please watch for this information – we need it

We are not responsible for information not reported to us. If you made estimated payments for tax year 2022, please provide us with proof of payment(s). (amount & or dates) If you have a dependent(s) in college, if possible, please include an itemized statement from the college for the 2022 tax year along with the 1098T you may receive. Sometimes the 1098T does not reflect the accurate amount to use for current year expenses and payments. We also need to know what year your student is considered (freshman - senior). For those of you who itemize and have non-cash charitable donations, www.goodwillpromo.org is a good site to help you when valuing your donations. **You are responsible for stating the value of your donation.** ALL deductions of any amount must have a receipt. Any individual contribution over \$250 must also have an acknowledgement letter from the charity, and the letter must be dated by the date we file your return. The letter should show the date and amount of any individual contribution over \$250 and should also state that no goods or services were received in return for the contribution.

Please read the enclosed Engagement Agreement, sign, and bring to us along with your tax information.

Payment is expected at the time of picking up the return. We accept cash, check and credit cards. **Credit card charges will incur a 3% additional charge.**

Office Hours: Monday-Tuesday **8a-6pm**

Wednesday-Thursday **8a-5p.**

Friday **8a-4p.**

We will be CLOSED on Good Friday!

We are pleased to have you as a client and look forward to serving you again this year. God bless!