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TAX YEAR 2023

Dear Client,

This year our newsletter is designed to give you the guidance for the information we need to prepare your 2023 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 be \$2,000.00 for 2023 tax year. There will be no charitable deductions unless you can itemize. Child and dependent care credit stayed the same for 2023. Teacher purchased expenses remained the same at \$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.

### **Compliance**

Did you or your spouse buy, sell, trade, or hold virtual currency in 2023? 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 and any other official IRS documents. More companies are having you printout of these forms online instead of mailing them to you. Be sure to see which ones may pertain to you.

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 2023 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.** We still require two proofs for each dependent that you will be claiming for the tax year. You can find a list of suggestions on our check list. You can find these on our website [www.advantagetaxaccounting.com](http://www.advantagetaxaccounting.com)

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 28<sup>th</sup> 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 2023, 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 2023 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](http://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!