

# H&K TAX SERVICES, INC.

31841 Alvarado Blvd. Union City, CA 94587

Tel: 510-324-1206 \* Fax: 510-324-8909

January 2025,

Dear Valued Client(s):

We hope that you and your family are doing well. Our annual tax checklist is designed to help you gather all the necessary documents for your 2024 tax filing. This year has brought significant tax changes that may affect you. Below are some key updates and issues to keep in mind.

## **Tax return due dates:**

- Individuals must file returns by April 15<sup>th</sup>, 2025.
- Partnership & S-corporation must file returns by March 15<sup>th</sup>, 2025.
- C-corporation must file returns by April 15<sup>th</sup>, 2025.

**New presidential administration:** The Tax Cuts and Jobs Act that was passed in December 2017 contained many tax law changes that are applicable only for the 2018 through 2025 taxable year. With the scheduled expiration of so many tax provisions and a new presidential administration, 2025 will have an additional emphasis on tax planning. No matter what happens in 2025, we are certain to see many tax changes heading into 2026.

**Clean vehicle credits:** Starting in 2023, taxpayers have three separate tax credits available for the purchase of clean vehicles: a credit for new vehicles, a credit for previously owned vehicles, and a credit for business vehicles. Each credit contains many rules and limitations, and starting in 2024, some of these credits can be claimed at the dealership at the time of purchase. Be sure to discuss the tax ramifications with us if you are unsure whether you qualify for a vehicle credit.

You can also use the tool on the [FuelEconomy.gov website](https://www.fueleconomy.gov) for the most up-to-date information on eligible models. You can filter by purchase scenario, **model year**, and **vehicle type** and **vehicle make by** to determine which car is eligible based on its date of delivery.

**Property Transaction:** Did you sell any real estate this year? Be sure to provide us with copies of escrow statements, as well as the Loan Estimate form, the Closing Disclosure form, and California Form 593, Real Estate Withholding Tax Statement. We need these documents to properly prepare your return.

**1099s and K-1s:** If you received 1099s or K-1s from investments in 2024, we may extend your return in case these documents are corrected after the original filing deadline. We are seeing increasing numbers of corrected information returns, which require taxpayers to amend their original tax returns to reflect the corrected amounts. In some cases, the amounts are vastly different and can create additional costs in amending the tax returns and potential penalty problems.

**1099-Ks:** The filing threshold for 1099-Ks is only \$600 (\$5,000 for third-party payers who are not credit card companies). If you receive income through a third-party settlement provider (such as a credit card company or even a mobile phone app like Venmo or Apple Pay, among many others) then you may receive a 1099-K for that income even if you have not in the past.

**Foreign accounts:** You must report your foreign accounts with value having exceeded \$10,000 USD at any time during the year. The penalties for failure to report are continuing to be harsh.

**Online IRS account:** We recommend that each of our clients set up their own IRS online account. Accounts can be set up in as little as 10 minutes at [www.irs.gov](https://www.irs.gov). With an online IRS account, you can view your account status, make payments (including balances due and estimate, among others), view past payments, confirm economic impact payments received,

pull IRS transcripts, and view new IRS notices and letters you received, among other activities.

Please take extra care in preparing your organizer and documentation. This will enable us to provide the best possible service, uncover new tax benefits hidden within the law, and safeguard you against increasingly aggressive audit programs and higher penalties.

**We greatly appreciate your trust in us over the years and look forward to assisting you again this tax season. To schedule your tax appointment, please call us at (510) 324-1206, Ext 0.**

**To ensure you can secure your preferred appointment time, we encourage you to call and schedule your tax appointment as soon as you have all your tax documents ready.**

**Please note: A 48-hour advance notice is required for any changes or cancellations to avoid a \$45 fee.**

Sincerely,

*Hank & Karyn*

Your tax professionals