

# H&K TAX SERVICES, INC.

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Dear Valued Client(s):

We hope that you and your family are doing well. Enclosed is the annual checklist to help you gather all your 2023 tax documents. It has been an interesting year with important tax changes that will impact you. Here are some of the changes and issues you need to know about.

**SECURE 2.0 Act:** Passed in the closing days of 2023 as part of the annual year-end appropriations bill, the SECURE 2.0 Act, like its predecessor, the SECURE Act, which was passed in 2019, makes significant retirement changes, including increasing the age at which required distributions must be made, changing the catch-up contribution limits for older workers, and numerous Roth account changes, among many more.

**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 2022, 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 IRS has decided for 2023 and prior years, you are only required to report the income if you receive over \$20,000 and have over 200 transactions. For tax year 2024, the IRS plans for a threshold of \$5,000.

**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.

## **Tax return due dates for the 2023 tax year:**

- Individuals must file returns by April 15<sup>th</sup>, 2024.
- Partnership & S-corporation must file returns by March 15<sup>th</sup>, 2024.
- C-corporation must file returns by April 15<sup>th</sup>, 2024.

Please take extra care in preparing your organizer and documentation; so, we can do the best possible job to find new tax benefits that are hidden in the law and protect you from more aggressive audit programs and larger penalties.

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

**To avoid NOT being able to get the tax appointment time that you prefer, we would like to ask you to call in to schedule your appointment as soon as you have all your tax documents ready.**

**48-hour advance notice is required for any changes or cancellation to avoid a \$45 fee.**

Sincerely,

*Hank & Karyn*

Your tax professionals