

Driscoll Tax Group, LLC

Certified Public Accountant

January 2024

To Our Valued Clients and Friends,

Happy Tax Season! It's time to compile your Income Tax Information for your 2023 Income Tax Return. Enclosed is a personalized Client Checklist and a Tax Questionnaire to help you gather the needed documents. If you answer "Yes" to any of the questions on the Questionnaire, please provide the supporting documentation.

Sign the enclosed annual tax return Engagement Letter and complete the enclosed 2023 Tax Questionnaire and return both to our office with your tax documents.

There will be no in-person appointments, however, we are available via email or telephone if you have any questions or concerns.

GETTING YOUR DOCUMENTS TO OUR OFFICE

You can upload your tax documents directly to the client portal (SmartVault). **SmartVault** is a secure online file sharing and document storage program that is provided by our office. Each client is provided with their own personal vault that provides a safe and convenient way to upload your tax documents directly to our office or access your complete tax returns. If you have not set up your SmartVault portal, please call our office for an email invite. You can also drop-off or mail-in your tax documents.

DIRECT DEPOSIT/AUTOMATIC WITHDRAWAL

Direct Deposit – Your federal and state refunds can be directly deposited into your bank account. This is the fastest and most secure way to receive your refund.

Automatic Withdrawal – Your tax payments can be automatically withdrawn from your bank account on any date of your choice up until the due date.

If you would like to choose this option, please provide a voided check or your bank routing and account numbers.

CLEAN VEHICLE TAX CREDIT

If you bought a qualified plug-in electric vehicle in 2023, you may be eligible for a clean vehicle tax credit. As certain criteria must be met to claim the credit, please provide paperwork received at the time of the purchase including the Bill of Sale with the vehicle identification number (VIN).

HOME IMPROVEMENT ENERGY CREDITS

Taxpayers that make qualified energy-efficient improvements to their home after December 31, 2022, may qualify for a tax credit. Home energy-efficient improvements include windows, doors, insulation, electric or gas heat pumps, heat pump water heater, natural gas, propane or propane water heaters or boilers, woodstoves, central a/c, and panel board and electric upgrades. You must claim the credit for the tax year when the property is installed, not merely purchased. If you have made energy-efficient improvements to your residential home, you must include a copy of your invoice with your tax documents.

FOREIGN ACCOUNTS

The law requires U.S. citizens, entities, and resident aliens to report their overseas financial accounts. It is solely your responsibility to report foreign account information when filing your tax returns. Civil and criminal penalties may apply for failure to report.

VIRTUAL/CRYPTO CURRENCY

When you sell, exchange, or use virtual/cryptocurrency, to pay for goods or services, or otherwise dispose of virtual currency, you must report this to the IRS. Virtual/Cryptocurrency is taxable, reportable, and carries incredible penalties for failure to report. It is extremely important to report all virtual/cryptocurrency transactions you made in 2023.

FORM 1099-K

Third-party payment networks are now required to file Form 1099-K with the IRS and provide a copy to you when the gross payment amount is more than \$600. You may get a Form 1099-K if you received payments through payment cards, payment apps or online marketplaces and can include payments you received as a gig worker, freelancer, or other independent contractor. If you receive Form 1099-K, be sure to include it with your tax documents.

TAX RETURN DEADLINE

The 2023 tax filing deadline for personal returns (Form 1040), without extension, is April 15th, 2024. Please gather your tax information and documents and submit it to our office as soon as possible. Tax returns are processed on a "first-come, first-served" basis. Please submit your tax documents no later than March 20, 2024, to provide our office with adequate time to complete your return by the due date. If your information is received after March 20th, your return may be extended and filed after the deadline.

EXTENSIONS

We DO NOT automatically file tax extensions. You must notify our office in writing if you wish us to prepare an extension on your behalf. An extension extends the time to file, it does not extend the time to pay. If you want an extension, you should still provide all tax documents available at the time to calculate any taxes due with the extension. Failure to timely pay any tax due or any quarterly estimated tax payments may subject you to various penalties and interest. We are not responsible for any penalties or interest assessed.

BUSINESS OWNERS

When a self-employed taxpayer reduces taxable income through tax deductions there is also a reduction in earned income reported to the Social Security Administration, which could reduce current and future benefits for the taxpayer and his or her dependents. Be aware of the potential negative effects on future social security benefits for you, your spouse, and any dependents.

BUSINESS OWNERS – CORPORATE TRANSPARENCY ACT

In 2021, Congress enacted the Corporate Transparency Act to enhance transparency in entity structures and ownership to combat money laundering, tax fraud, and other illicit activities. The law is designed to capture more information about the ownership of specific entities operating in or accessing the U.S. market. Beginning on January 1, 2024, businesses are required to report information about beneficial owners to the U.S. Treasury Department's Financial Crimes Enforcement Network, or FinCen. Failure to file timely and accurately can result in up to two years of jail time and/or fines up to \$500 per day. For more information go to www.fincen.gov/boi.

CONSENT FORMS

Requests to pick up completed tax returns for anyone other than themselves, will need written and signed consent. This includes anyone picking up for their adult child or parent. Consent forms are available upon request.

Requests for additional copies of your tax returns will incur an additional fee. Your records are available to you, free of charge, through our online portal, SmartVault. This is very convenient when you need copies of your tax returns when buying a home, completing a FAFSA application, etc. Although we retain records for three years, it is your responsibility to keep and protect your tax records. We are available throughout the year for tax planning and tax projection at an additional fee.

We value your business and extend our wishes for a prosperous new year.

Thank You,
Driscoll Tax Group, LLC