



# FISHER CONSULTING SERVICES 2023 Tax Guide

## Tax News for Filing Your 2022 Taxes

The filing season begins on January 23rd this year.

For 2022, the child tax credit returns to pre-2021 rules: there aren't any advance payments as there were in 2021 for eligible taxpayers. This means the maximum credit for a child under 17 is \$2,000. The credit begins to phase out when modified adjusted gross income exceeds \$400,000 on a joint return or \$200,000 for all other filers. There is an additional child tax credit that can be claimed if the child tax credit otherwise allowed is limited by tax liability; the refundable amount may not exceed \$1,500 per qualifying child. The credit for other dependents is unchanged.

Also for 2022, the child and dependent care credit returns to pre-2021 rules; there is no refundability. Qualifying expenses considered in figuring the credit are \$3,000 for one qualifying individual, and \$6,000 for two or more qualifying individuals. The credit ranges from 35% down to 20% depending on adjusted gross income. The exclusion for dependent care under an employer's dependent care assistance plan is \$5,000 (\$2,500 if married filing separately).

For 2022 there is no extra amount allowed for cash donations to the IRS!

The credit for installing solar energy in your home is increased to 30% for 2022. The annual gift tax exclusion is increased to \$16,000 per donee for 2022 for gifts of cash or present interests.

## \$80 Billion to the IRS: What It Means for You:

You may have noticed that the IRS is in a bad way.

It has a backlog of millions of unprocessed paper tax returns, and taxpayers can't get through to the agency on the phone. Congress noticed and took action by passing a massive funding of the IRS in the recently enacted Inflation Reduction Act.

The IRS will get an additional \$80 billion over the next decade. This includes \$35 billion for taxpayer services, operations support, and business systems. Among other things, the IRS plans to use these funds to update its antiquated IT systems (some of which date back to the 1960s), improve phone service, and speed up the processing of paper tax returns.

Despite what you may have heard in the media, the IRS will not expand by 87,000 new employees. It will still be smaller than it was 30 years ago. It may grow by 20,000 to 30,000 workers over the next decade, and the number of revenue agents could increase to 17,000 by 2031—over twice as many as today.

The IRS will have an additional \$45 billion to spend on enforcement. Treasury Secretary Janet Yellen has promised that IRS audit rates will remain at "historical levels" for taxpayers earning less than \$400,000 annually.

Audit rates will rise for taxpayers earning \$400,000 or more per year. If you're in this group, it's wise to plan ahead to avoid trouble with a beefed-up IRS.

You should keep complete and accurate records and file a timely tax return. Of course, this is something you should be doing anyway.

**Standard Deductions are as follows:**

<u>Filing Status</u>	<u>Deduction</u>
Single	\$12,950
Head of House Hold	19,400
Married/Joint	25,900
Married/Separate	12,950

**Taxable Income Brackets 2022:**

10% Single up to \$10,275	Head of Household up to \$14,650	Married Filing Jointly up to \$20,550
12% Single \$10,276 through \$41,775	Head of Household \$14,651 through \$55,900	Married Filing Jointly \$20,551 through \$83,550
22% Single \$41,776 through \$89,075	Head of Household \$55,901 through \$89,050	Married Filing Jointly \$83,551 through \$178,150
24% Single \$89,076 through \$170,050	Head of Household \$89,051 through \$170,050	Married Filing Jointly \$178,151 through \$340,100
32% Single \$170,051 through \$215,950	Head of Household \$170,051 through \$215,950	Married Filing Jointly \$340,101 through \$431,900
35% Single \$215,951 through \$539,900	Head of Household \$215,951 through \$539,900	Married Filing Jointly \$431,901 through \$647,850
37% Single over \$539,900	Head of Household over \$539,900	Married Filing Jointly over \$647,850

To schedule your in-home appointment at your convenience, call 480-242-8641, or email me at [cindy85296@gmail.com](mailto:cindy85296@gmail.com).

**If you send your tax information to me electronically, the return must be paid for before I send it off to the IRS! I accept Venmo, PayPal, Zelle, and online payments made through my QuickBooks invoicing program.**

**THIS CHECKLIST MAY BE USED TO SAVE YOU TIME AND REMIND YOU WHICH TAX FORMS YOU'VE RECEIVED DURING THE YEAR AND MAY BE USED DURING YOUR TAX PREPARATION:**

**EMPLOYMENT & INCOME DATA:**

- \_\_\_\_\_ W-2 forms
- \_\_\_\_\_ Unemployment compensation:  
Form 1099-G
- \_\_\_\_\_ Miscellaneous income including rent:  
Form 1099-MISC
- \_\_\_\_\_ Partnership, S Corporation, & trust income:  
Schedule K-1
- \_\_\_\_\_ Pensions and annuities:  
Forms 1099-R
- \_\_\_\_\_ Social Security/RR1 benefits:  
Form RRB-1099
- \_\_\_\_\_ Alimony received
- \_\_\_\_\_ Jury duty pay
- \_\_\_\_\_ Gambling and lottery winning (W2-G)
- \_\_\_\_\_ Prizes and awards
- \_\_\_\_\_ Scholarships and fellowships
- \_\_\_\_\_ State and local income tax refunds:  
Form 1099-G (new clients only)

**HOMEOWNER DATA:**

- \_\_\_\_\_ Mortgage interest:  
Form 1098
- \_\_\_\_\_ Sale of your home or other real estate:  
Form 1099-S
- \_\_\_\_\_ Second mortgage interest paid
- \_\_\_\_\_ Real estate taxes paid

**FINANCIAL ASSETS:**

- \_\_\_\_\_ Interest income statements:  
Form 1099-INT
- \_\_\_\_\_ Dividend income statements:  
Form 1099-DIV
- \_\_\_\_\_ Retirement plan distribution:  
Form 1099-R

**FINANCIAL LIABILITIES:**

- \_\_\_\_\_ Student loan interest paid
- \_\_\_\_\_ Early withdrawal penalties on CDs and other time deposits

**AUTOMOBILES**

- \_\_\_\_\_ Registration
  - \_\_\_\_\_ Sales Tax
- (new vehicles)

**EXPENSES:**

- \_\_\_\_\_ Medical Insurance coverage, medical expenses & mileage
- \_\_\_\_\_ Gifts to charity, charitable mileage
- \_\_\_\_\_ Childcare expenses
- \_\_\_\_\_ Adoption expenses
- \_\_\_\_\_ Alimony paid
- \_\_\_\_\_ Sales documents for vehicle purchase
- \_\_\_\_\_ 1098-T for college tuition paid
- \_\_\_\_\_ College expenditures

**SELF-EMPLOYMENT DATA:**

- \_\_\_\_\_ Business income: Form 1099-MISC and/or own records
- \_\_\_\_\_ Partnership SE income: Schedule K-1
- \_\_\_\_\_ Business-related expenses: Receipts for Unreimbursed expenses; mileage for vehicle
- \_\_\_\_\_ Employment taxes & other business taxes
- \_\_\_\_\_ Starting/ending mileage if used in business
- \_\_\_\_\_ Gas, parking, repair, insurance expenses if used in business

**MISCELLANEOUS TAX DOCUMENTS:**

- \_\_\_\_\_ Federal, state, & local estimated income tax paid for last year
- \_\_\_\_\_ IRA, Keough and other retirement plan contributions
- \_\_\_\_\_ Proceeds from broker transactions:  
Form 1099-B

**IF YOU HAVE ANY QUESTIONS REGARDING WHAT IS DEDUCTIBLE OR WHAT IS REPORTABLE INCOME, PLEASE CALL ME!**

**\*\*\*LAST MINUTE REMINDERS\*\*\***

Here is a list of items that most people forget:

1. Vehicle registration
2. Print-out of medical expenses from your pharmacy/doctor/dentist, etc.
3. 1099/W2-G from casino winnings!!!
4. Interest paid on home-equity lines of credit
5. Mileage for medical miles as well as charitable service miles
6. Interest earned from savings/investments
7. School tax credit forms/addresses

**\*\*\*NEW CLIENTS SHOULD HAVE THE FOLLOWING READY FOR REVIEW:**

1. Photo identification/driver's license, etc. Valid Social Security cards for the taxpayer, spouse and dependents
2. Birth dates for primary, secondary and dependents on the tax return
3. Wage and earning statement(s) Form W-2, W-2G, 1099-R, from all employers
4. Interest and dividend statements from banks (Forms 1099)
5. A copy of last year's federal and state returns, if available (2019)
6. Bank routing numbers and account numbers for direct deposit
7. Other relevant information about income and expenses
8. Total paid for day care
9. Day care provider's identifying number, address, and phone number

**FEE SCHEDULE FOR NEW CLIENTS ONLY!:**

1040 (no schedules).....	\$75.00
1040 (w/Schedules but not itemizing) .....	\$120.00
1040 (w/Schedules including itemizing) .....	\$200.00
1040 (w/Schedules for self-employment, and rentals) (\$50/ea additional Schedule C income)	\$300.00
1065 (Partnership returns) .....	\$500.00
1120/1120S (Business returns) .....	\$500.00
Separate State Return .....	\$75.00
Amended Returns .....	\$75.00/up

**\*\* These fees apply to new clients only.**

**\*\*Payment is expected at the time of service, and you can now pay by cash, check, debit, or credit card. If you are emailing/ mailing your information to me, payment must be made before the return is submitted to the IRS. \*\*\*\***

**\*\* Discounts are available to those who fax/e- mail/or drop off their information to me and there isn't any in-home visit.**

**EARN-A-RETURN** is still and will always remain in effect. Each referral will earn you \$20.00 along with a personal "thanks".

