

As we approach the upcoming tax season, we want to highlight a few of the changes that may impact your tax return. If you want to meet with one of our CPAs, please make your appointment early to secure your desired date and time as they will fill up quickly.

If you have obtained insurance coverage through a Health Care Exchange such as Connect for Health Colorado, you will receive a Form **1095-A** and this **must** be provided in order to accurately complete your tax return.

- 1) Due to liability concerns from our insurance company, Stotler and Young, PC is prohibited from emailing tax returns or any other tax documentation directly to 3<sup>rd</sup> party vendors such as banks. Clients can utilize our **free** online system to access their respective information or be charged a fee for our staff to email documents directly to the client.
- 2) If you claim **mileage** and travel expenses, you must retain documentation of the miles traveled and travel related expenses that include the date, business purpose and destination. The IRS is looking at these expenses more closely. The mileage rates for the upcoming tax years are as follows:

Time Period	Business Use	Medical/Moving	Charitable
Jan 1, 2023 – Dec 31, 2023	65.5 cents	22 cents	14 cents
Jan 1, 2024 – Dec 31, 2024	67.0 cents	21 cents	14 cents

- 3) The **IRA contribution** limit for 2023 is \$6,500 if you are under age 50 and \$7,500 for those over 50. Your ability to deduct these amounts depends on your individual circumstances, and contributions may be made up until April 15, 2024 for tax year 2023.
- 4) Please let us know if you **converted any of your retirement accounts to a ROTH IRA** as we must include this income on your 2023 tax return.
- 5) If you **sold investments, including cryptocurrency**, during the year, please make sure to obtain the basis in those assets and provide it to us. This may require contacting your current and/or previous investment advisor or looking up the original purchase documents.
- 6) If you have an **HSA or MSA**, please be sure to include your 2023 distributions/contributions and note the type of plan (i.e., family or individual). You have until April 15, 2024 to make your 2023 contribution. The max contribution for individual or family plans is \$3,850 and \$7,750, respectively. For those over 55 years of age, an additional \$1,000 catch-up contribution is allowed.
- 7) Receipts are **required** to deduct charitable giving. Single donations in excess of \$250 must have a statement from the exempt organization stating that no goods or services were received. Non-cash donations must be in good or better condition. Additionally, if you do not itemize on your federal return and have contributions in excess of \$500, Colorado allows for a deduction for that amount.
- 8) A 30% credit for qualified **solar improvements** is available for tax year 2023. Other improvements and appliance purchases may be eligible for a tax credit as well.
- 9) If you were 73 or older during 2023 you are **required to take a distribution from your IRA and 401(k)** for 2024. If you have both accounts, you **MUST** take an RMD for each respective account. There are different rules regarding RMD's for the year in which you turn 73 and if you are still working for your respective employer. In lieu of your required minimum distribution, you are eligible to make a **charitable contribution directly from your IRA**. This can result in substantial tax savings for those that qualify.
- 10) The **estate and gift tax** exemption amount for 2023 is \$12,920,000, increasing to \$13,610,000 in 2024. The annual gift exclusion amount for 2023 is \$17,000 per person, increasing to \$18,000 in 2024.
- 11) The IRS has implemented penalties (minimum of \$10,000) for failure to report foreign assets, including cryptocurrency held in a foreign country, valued over \$50,000 or bank accounts that have cumulative balances over \$10,000 **at any point during the year**. If you think this applies to you, you **must** let us know.
- 12) For **all taxpayers with active trades or businesses**, the IRS requires **total payments to individuals and partnerships over \$599 be reported on 1099s and mailed by January 31st**. If you file 10 or more forms, you are now required to submit these to the **IRS electronically**. The IRS has implemented penalties and fines for each 1099 not filed by the deadline. Fines have increased in this area and payments must be reported.

If you have any questions regarding any of the above items, please contact your specific tax advisor.

We look forward to working with you for your tax and accounting needs during the upcoming year. Thank you.