



News and Tax Tidbits

January 2024

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Welcome to 2024! It is hard to believe that tax season starts soon. I am ready and cannot wait to see each of you. I continue to build Family Tax Solutions and cherish each of your referrals! So, don't be afraid to share my phone number, website or business card with a friend. If they have their tax return completed by me, you will receive a \$20 referral credit to show how much I appreciate the referral.

The IRS has just announced that the filing season for 2024, will begin on January 29, 2024 no need to wait if you are ready, though! Appointments can be scheduled at www.familytaxsolutions.com or by calling 208 362-1633. I will continue to take appointments in person and remotely. Please send all documents securely through the secure portal at my website. Email and text is not secure.

Here's to a great 2024 year!!!

Robin Gervais, Enrolled Agent

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2023 Individual Tax Update

⇒ **Due Dates:**

W2's and 1099's	Wednesday, January 31, 2024
1065 Partnership Returns	Friday, March 15, 2024
Individual 1040 and 1120-S	Monday, April 15, 2024

⇒ **Standard Deduction**

- Single/Married Filing Separate—\$13,850 • Head of Household- \$20,800
- Married Filing Jointly/Qual Surviving Spouse—\$27,700
- Additional amount for over 65 or blind \$1,500 Married Filing Joint/\$1,850 Single/HH

⇒ **Child Tax Credit (CTC)**

- Under age 17 • \$2,000 per child up to \$1,600 refundable
- Phase-outs \$200,000 S/MFS.HOH/SS and \$400,000 MFJ for \$2,000 amount



⇒ **Earned Income Tax Credit (EITC)**

- Eased Married Filing Separate rules if you didn't live with your spouse more than 6 months of the year
- May not have more than \$11,000 in investment income to qualify for the credit

⇒ **Child and Dependent Care Credit (CDC)**

- \$3,000 for one child/\$6,000 for more than one child
- Idaho Credit is up to \$12,000 if qualified

⇒ **Retirement Plans**

- Contribution limit for employees with 401(k), 403(b), most 457 plans, and Thrift Savings Plan (TSP's)
2023 - \$22,500 Catch up of \$7,500 over 50 2024—\$23,000 Catch up of \$7,500 over 50
- Limit on Annual Contribution to IRA
2023- \$6,500 Catch up \$1000 over 50 2024 - \$7,000 Catch up \$1,000 Over 50

Website: www.familytaxsolutions.com

Secure Portal and Appointment Calendar Available

2023 Individual Tax Update (continued)

⇒ **Required Minimum Distributions (RMDs)**

- Starting in 2023 the newly enacted Secure Act 2.0 allows you to wait until 73 to take out your RMD's

⇒ **Energy Efficiency**

- In the Home: Annual Limitations instead of lifetime limitations. \$1,200 per year
 - ⇒ Certain Windows and Skylights \$600 Doors \$250/\$500 Heat Pumps, Biomass Stoves \$2,000
 - ⇒ Solar credits extended through 2034
- Vehicles: Placed in service after 12-31-22 thru 12-31-2032 Two Rules Total potential credit is \$7,500
 - ⇒ \$3,750 credit if minimum percentage of minerals contained in batteries is sourced in U.S. or a country with a free trade agreement and \$3,750 if the battery components are manufactured/assembled the same.
 - ⇒ Previous owned vehicles can qualify too if purchased after 2022. Lessor of \$4,000 credit or 30% of the sales price. Maximum price per vehicle is \$25,000

⇒ **Miscellaneous Individual Provisions**

- Mortgage Insurance Premium (MIP) deduction has EXPIRED
- Insurance Premiums for retired public safety officers can exclude up to \$3,000 from their distribution to pay for health insurance premiums
- Medical Miles 2023 Medical Mileage deduction remains 22¢ a mile
- Educator Deduction is increased up to \$300 for classroom expenses. \$600 if both spouse are teachers
- Charitable Qualified Distribution is a one-time election to distribute up to \$50,000 from an IRA
- Estate and Gift Tax Exemption has increased to \$12,920,000 and allows an increase in the gift exemption to \$17,000 per recipient in 2023. 2024 the gift increase to \$18,000 per recipient
- Health Savings Account (HSA) contribution amount increased to \$3,850 for individual or \$7,750 for family with an extra \$1,000 for those over 55

⇒ **Idaho Individual Update**

- *Effective* January 1, 2023, Individual income tax rates are not 5.8% on taxable income over \$2,500 or \$5,000 married filing joint
- 2023 The grocery credit will increase to \$120 per person for under 65 and \$140 for those over 65.
- If you have filed an Idaho Tax return late and didn't receive the refund due to the 3 year statute, Idaho now allows a non-refundable credit not received within the last 10 years

2023 Business Tax Update

⇒ **Beneficial Owner Information**

- New reporting requirements are now in effect. Identifying information about the individuals who directly or indirectly controls a company must be reported as part of the Corporate Transparency Act. We will review this when you file your tax return

⇒ **Business Meals**

- 2023—Back to a 50% deduction and *entertainment* is still not an allowable deduction

⇒ **Standard Mileage Rate**

- 2023—65.5 cents per business miles

⇒ **Business Miscellaneous Provisions**

- Employee Retention Credit— You have up until 2024 to claim the employee retention credit but refunds are severely delayed due to abuse of many of this credit.
- Employers can help employees pay off up to \$5,250 of their student loans
- Bonus Depreciation is at 80% down from 100% in 2022

⇒ **The new 1099-K reporting was postponed for 2023**

- The requirement for processing companies like Venmo, PayPal, Etsy, etc, to send out 1099-k's on transactions over \$600 is postponed for now. Any 1099-K's need to be accounted for on the tax return to prevent an audit