

PRECISION TAX & ACCOUNTING SERVICES INC.

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Dear Clients:

Once again, the New Year is fast approaching as well as another tax season is here. 2024 has a few minor tax changes which include a little bit of a higher standard deduction. The most significant changes to note are the energy credits and 529 plans. You can review the IRS site at [Energy Efficient Home Improvement Credit | Internal Revenue Service](#) for more information. For 529 plans, if there is money left you can take it out penalty free by paying off up to \$10,000 in student loans or transferring money to a ROTH IRA for the beneficiary. Please also remember, especially my New York State Residents, that New York has **not** conformed to the federal tax laws and will still be allowing the Itemized Deductions as they have in the past. **So** even if you do not qualify to itemize on the Federal Return, you may still qualify to itemize on New York State as well as some other states. So please keep track of your expenses as you have in the past. If you are not in New York, you can email me and ask me separately what might be needed for your state.

Also, most business entities are responsible for completing Beneficial Owner's Information Reports. I have sent out a few emails on this topic. It must be completed by December 31, 2024 to avoid huge penalties. Please contact the office if you need more information on this topic or review prior emails from the company. **(*NEW FLASH* This has now been placed on hold as they fight the constitutionality of it in the courts! No harm has been done already.)**

We are doing face-to-face consultations this year, but we are asking anyone that is not feeling well not to come into the office. An illness of any kind running through the office would create a disaster for the operations especially during tax time. There are also several virtual options. I have created a safe portal through a company called Smart Vault. When you contact me, I can send you an invitation to upload your information to that portal. If you did this last year, you still have the same access to that portal. Let me know and I can add a 2024 folder for you to access if I haven't already. Here the office can retrieve the information and upon completion of the return, we can upload it to that file for safekeeping. Other ways to get me your tax information will be through mail services and email. You can also call and make an appointment to drop off during office hours, which are numerous during the season.

In the meantime, it is very important to prepare for the upcoming tax filing to maximize all possible deductions which will allow for increased tax refunds. Some tax savings can still be accomplished this year by the following

1. **Contributing** the maximum to 401K, 403B and IRA accounts
2. **Off-setting any capital gains with capital losses**
3. **Contributing** to 529 plans for college savings in certain states by December 31.
(make sure that the plan you pick is deductible in that state and money **must be in** the account by December 31, so there is no time to waste)
4. **Giving** extra to charity

5. **Contributing** the maximum to HSA accounts
6. **Paying off** medical expenses for any possible medical deduction

Please also remember deadline filing dates are as follows:

"S" Corporate Tax Deadline	March 17, 2025
"C" Corporate Tax Deadline	April 15, 2025
Personal Income Tax Deadline	April 15, 2025
Partnership Tax Deadline (LLC's)	March 17, 2025
1099 and W-2 submissions	January 31, 2025
(No Extensions allowed for filing of W-2's and 1099's)	

If you cannot file by these dates, please notify us so that a proper extension can be filed. If there is a balance due on any return, it must be paid at the time of the extension to avoid incurring penalties and interest. **There is no extension of time to pay only an extension for time to file a proper return.**

Electronic filing is mandatory and the preferred method of filing because it achieves many benefits. **Direct Deposit of refunds** is also preferential because it stops the stealing of refunds from mailboxes or being lost in the mail. **Please be aware that one of the many new scams in the world is stealing checks from mailboxes so whenever possible direct deposit is preferable. So please verify your routing number and account number when preparing the returns, both personal and business.** (Deposit slips and bank cards do not have the proper information on them). We can use the bank information for most processed return payments as well.

Also, for **New York State and a few other states**, we must have a copy (front and back) of your Driver's license or state identification information for all titled taxpayers on the return assuming they have a NY State Driver's license or non-Driver's license photo ID. Unfortunately, the information will not carry through from last year and we will need to know current information for those of you who's license has expired or changed from the prior year. This is one way that NYS is trying to prevent fraud.

The following items must be obtained before your returns can be completed:

- .All W-2's (final pay stubs will only be used for estimation purposes only)
- .1099's, 1098's, (interest income, mortgage interest, unemployment, college tuition)
- .Social security numbers and dates of birth for all dependents. Without a social security number there will be NO deduction and certain credits will be limited as well.
- .For **dependent and child care deductions**, the social security or employer identification number (TIN) and address for the person, school or business doing the caring. It is very important to have ALL information pertinent to allow the credit. You should be able to obtain this information at your child's facility.
- .Stock Transactions: **Year End Tax Reports (1099's) provided by brokerage companies.** If you have a managed brokerage account, please have your realized gain/loss reports available as well. The brokerage houses have been mailing the statements **later** and have been issuing many corrections to the original reports. I don't expect this year to be different so be patient.
- .Virtual Currency (Digital Assets): **Year End Reports (1099's) provided by brokerage companies.** IRS wants to know if you purchased, gifted, or were awarded or sold any virtual currencies!
- .All **CLOSING STATEMENTS** for purchases of real estate, sales of real estate, home equity loans or refinances.

.If you take a **home office deduction**, please have available the total square footage of your home and the total square footage of the area used exclusively for your business. Please also have available the total of all utility bills (including water), normal repairs and maintenance, landscaping, home improvements, etc. as some of these expenses will be proportionately deductible against your income.

.If you take any **mileage deductions for work or business**, please have available the total mileage on the vehicle(s) for the year, amount which is commuting, that which is personal and the amount which is business. IRS wants to see the whole picture. Also, for verification purposes, make sure you have an odometer reading on an annual repair bill.

IMPORTANT ITEMS ESPECIALLY FOR 2024:

Individual concerns:

1. Unemployment statements – Either downloaded or mailed.
2. Dependent Care Deductions expenses have been reduced back to \$3,000 a year for a maximum of 2 children. Need organization(s) name, address, Taxpayer Identification number and the annual cost for each.
3. **Crypto Currency is a very hot topic every year.** Please make sure to notify us of all activity so we can keep you in compliance. See other comments on this on previous pages.
4. New York State will be requiring accurate license information so I will need a picture of your licenses as stated above (front and back please).
5. Estate and Gift Tax Planning – 2024 allows a gift of \$18,000 and 2025 that will increase to \$19,000. (This is not a tax deduction for the giver nor a taxable situation for the receiver. It is a way to reduce your taxable estate while you are alive and possibly avoid estate taxes in the future.)
6. Electric Vehicles and Charging Stations - please send receipts for all electric vehicles and charging stations so we can determine the appropriate credit (new and used).

BUSINESS FILERS:

1. Economic disaster loans:
 - a. Interest paid on the EID loans is tax deductible and must be specified on the return. This amount will be found on the SBA website.
2. Please send all items needed for preparation of 1099s in January. Have the recipients complete the W-9 and if we don't do your bookkeeping send us the amount the recipient received during the year.

Please see the attached list of items needed to prepare your returns. They do not all apply to every taxpayer but it is a good organizational tool.

Thank you.

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