

Third Quarter Estimates are due September 15, 2022. If you would like us to prepare them, please provide income, deductions and withholding amounts to our office by September 7, 2022.

Documents Needed! If we filed an extension for you, we need to complete your return. The extension deadline is October 15.

Please call our office to further discuss any of these items that may pertain to you.

Fast Facts

- 2022 child tax credit reverts to pre-2021 amounts (\$2k per child 6-16 years old) and no advance payments
- “Above the Line” charitable cash contribution (\$300 for single/\$600 for MFJ) is no longer available
- Under current legislation as of this writing, the proposed cancellation of \$10k in student loans is not taxable at the Federal level. However, it is taxable on your WI income tax return

Mileage Rates for 2022

A quick reminder from our June 30 letter, as of July 1, 2022 the IRS increased the business standard mileage rate to 62.5 cents for the remainder of the year. Medical/moving rates were also increased 4 cents, up to 22 cents per mile.

Please make sure to have mileage totals available come tax time in 2023. If need be, look at vehicle service records to come up with your mid-year mileage.

September is National Preparedness Month

There is an ongoing threat of severe weather and other adverse events that involve the destruction of both personal and business property. It is good practice to have (also update from time to time) an emergency preparedness plan.

We recommend you start secure with keeping critical documents inside waterproof containers in secure spaces. These documents include, but are not limited to: birth certificates, deeds, titles, insurance policies, tax returns, investment information, etc. Making copies or storing copies of these documents off-site or in the cloud makes for a smoother recovery and does not add additional stress to the situation.

Growth of Scams

Due to the pandemic and the increasing skill of scammers, now more than ever it is very important to be skeptical of unexpected messages for charitable contributions, loans and more recently student loan forgiveness. Often if it sounds too good to be true, it likely is!

Make sure you ask for proper documentation when making a charitable contribution (the paperwork will tell you if they are a 501(c)(3) organization). The IRS will never call or send you emails. Correspondence will be sent via mail.

Deduction for Teacher Expenses

September means back to school for students and teachers. This year the IRS increased the amount teachers and other educators can deduct on their tax return, up to \$300 for out-of-pocket classroom expenses.

Inflation Reduction Act

On August 16, 2022, President Biden signed into law the Inflation Reduction Act. This law contains numerous tax provisions and environmental and clean-energy credits. We are still working through the legislation, but here are a few highlights: credits for purchasing new and used clean-energy vehicles and updates to the residential energy credit starting in 2023. Energy improvements made during 2022 follow prior law limitations. Stay tuned for the December newsletter for additional updates.

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