

INCOME TAX NEWSLETTER

January 2, 2023

Virtual Assistance by Evelyn

Happy New Year! Please allow me to introduce my new business, Virtual Assistance by Evelyn. As a virtual assistant, in addition to income tax preparation, I now offer bookkeeping services for small businesses/entrepreneurs, general admin duties and external audits for non profit organizations. If you or someone you know need help in the areas listed above, please contact me.

As far as income tax preparation, the only change will be how you submit your documents to me. In going through IRS trainings, there are a lot of hackers stealing information. The IRS suggests submitting documents via a secure site. I have set up my website for you to submit documents securely. **Please go to www.virtualassistancebyevelyn.com and click on Upload Tax Documents.** I will get an email that your documents are waiting. In addition to your tax documents, please upload the attached information sheet.

As always, please let me know if you have any questions or concerns.

THE DEADLINE TO FILE IS MONDAY, APRIL 18, 2023.

Getting Started

Please contact me as soon as you receive all your 2022 paperwork for your income taxes. Please save any items that come in the mail that say, "Important Tax Information." I can prepare and process your 2022 taxes, in most cases, in 2-3 days, depending upon the complexity of the return. Your refund will be deposited into your checking account within 21 days, sometimes longer due to COVID-19.

The IRS will process returns starting on Tuesday, January 24, 2023. I have included a sheet for you to complete and return to me with your 2022 income tax paperwork via my website.

DEDUCTION AMOUNTS

The amounts for tax year 2022 are listed below.

Standard Deduction:

Single or Married Filing Separately - \$12,950 (up \$400 from 2021)
Head of Household - \$19,400 (up \$600 from 2021)
Married filing Jointly or Qualifying Widow(er) - \$25,900 (up \$800 from 2021)



2022 Changes

Some tax credits return to 2019 levels. This means that affected taxpayers will likely receive a significantly smaller refund compared with the previous tax year. Changes include amounts for the Child Tax Credit (CTC), Earned Income Tax Credit (EITC) and Child and Dependent Care Credit.

Tax credits, which reduce the tax you owe dollar for dollar, are normally better than deductions, which reduce how much of your income is subject to tax. Those who got \$3,600 per dependent in 2021 under the American Rescue Plan Act (ARPA) for the CTC will, if eligible, get \$2,000 per child age sixteen or younger for the 2022 tax year. For the EITC, eligible taxpayers with no children who have other qualified dependents, who received roughly \$1,500 in 2021, will now get \$500 in 2022. The Child and Dependent Care Credit returns to a maximum of \$2,100 in 2022 instead of \$8,000 in 2021. The credit is also subject to a phase-out starting at \$400,000 for joint filers and \$200,000 for single filers.

More people may be eligible for the Premium Tax Credit. For tax year 2022, taxpayers may still qualify for temporarily expanded eligibility for the premium tax credit.

Refunds may be smaller in 2023. Taxpayers will not receive an additional stimulus payment with a 2023 tax refund because there were no Economic Impact Payments for 2022. In addition, taxpayers who don't itemize and take the standard deduction, won't be able to deduct their charitable contributions. During COVID, taxpayers could take up to a \$600 charitable donation tax deduction on their tax returns. However, in 2022, those who take a standard deduction may not take an above-the-line deduction for charitable donations.

You may get Form 1099-K for third-party payments. If you've received payments through apps like Venmo or PayPal in 2022, you may get Form 1099-K in early 2023, which reports income from third-party networks. The form applies to business transactions, such as part-time work, side jobs or selling goods, according to the IRS. Before 2022, the federal Form 1099-K reporting threshold was for taxpayers with more than 200 transactions worth an aggregate above \$20,000. Now, however, the threshold is just \$600, and even a single transaction can trigger the form.



Virtual Assistance by Evelyn

**I help small businesses/entrepreneurs work ON
their business instead of IN their business**

**www.virtualassistancebyevelyn.com
evelyn@virtualassistancebyevelyn.com**

317-970-2817

Tax Season 2023

PLEASE RETURN THIS SHEET TO ME:

NAME: _____

Cell Phone Number: _____

Taxpayer's Birthdate: _____

Spouse's Birthdate: _____

Driver's License Information:

State issued - _____

Drivers License number - _____

Issue date - _____

Expire date - _____

Dependent's Name, Social Security Number, and Birthdate:

Electronic Filing Information:

Routing Number _____

Account Number _____

Checking or Savings _____

Name of Bank _____

Charitable Contributions: Cash: _____ Non-Cash : _____

Education Credits: (tuition, fees, and course materials) **[Need statement from Bursar's Office]**

Do you have health insurance? _____

Is the health insurance through the marketplace? _____

Did you receive a form 1095-A, 1095-B or 1095-C? _____

Any tax changes in 2022? ____

If so, please explain briefly _____

Self-Employment:

Income: _____

Expenses:

Advertising: _____

Office Expense: _____

Supplies: _____

Travel & Entertainment: _____

Mileage: _____

Make and Model of Car: _____

Other Expenses: (please list with amount)