

January 12, 2024

Dear Circle Tax Family,

Can you believe it's time to file taxes again. Not much has changed since last year. The IRS announced that they will be accepting e-filed returns starting January 29, 2024. The IRS is saying refunds should be issued within 21 days, however those with EITC or additional child tax credit will not get refunds until late February.

Most tax forms are required to be postmarked by January 31, 2024. That will include W-2s & most 1099s. Investment documents aren't required to be out until February 15, 2024, and can be as late March 15, 2023, if they filed an extension. Also, if your investments issue a K-1 then you may have to wait even longer. Feel free to load your documents as you get them. You do not have to wait until you have all your documents to start loading. Please note that if you have selected paperless options with employment or investments you may have to log in online to get your tax document. We do our best to compare your information from year to year to make sure we have all your documents, but realize you are responsible for making sure you get all the documents to us.

Our filing process will be similar to previous years. The best option for getting us your documents is by loading them into ShareFile in the *Put Your Documents Here* folder. **Please send us an email or text when you are done uploading so that we know you have loaded everything.** If you do not let us know you loaded all your documents, it may hold up your filing. You can also send us documents via fax or mail.

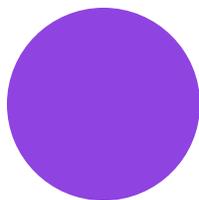
Once all documents are loaded, we will send you an engagement letter. This year we are going back to using rightsignature for the engagement letter. There will not be pricing information this year as our pricing will be about the same as last year unless something significant has changed. If you would like a quote prior to the return being started please let us know. Once the return is completed we will send you an email with your refund/balance due information. We will also send your signature page and invoice at that time. When the return is signed and paid for, we will load a full copy into ShareFile. If you would like a paper copy mailed to you there will be a \$15 fee to cover the cost of priority mailing. Please indicate on the engagement letter if you want a paper copy of your return.

Our goal is to complete all returns within 3 weeks, if we have all your documents. Please realize the later we get into tax season the longer the processing time. The tax filing deadline this year is April 15, 2024. **Our final date for guaranteeing a timely filed return is March 24, 2024.** If we are unable to complete your return timely, we will file you an extension. PLEASE NOTE: Filing an extension gives you 6 more months to file and avoids the 5% per month failure to file penalty. It does NOT give you more time to pay the bill without penalties and interest. If you believe you will owe money and are able to pay by April 15<sup>th</sup> you should pay as much as possible. I do sometimes recommend filing an extension if you can pay in the next 6 months so you don't have to set up a formal payment plan. The IRS charges a fee for setting up a payment plan.

As always, our fee will include Federal, State, and KCMO. This also includes e-filing all returns we can efile. The IRS requires tax professionals to electronically file any returns that are eligible (which is pretty much all of them). Refunds can be mailed or direct deposited. Please provide a routing number and account number if you want direct deposit. If you have a balance due the amount can be auto debited (any time between the date of filing and April 15<sup>th</sup>). If you do not wish to have the amount auto debited there are several options for paying electronically or you can mail a payment with a voucher. KCMO changed their rules during tax season last year, so it is extremely difficult to get refunds from them. If you had KCMO taxes withheld but do not work in the city please make sure you let me know so we can file the paperwork.

Circle Tax & Accounting provides a wide range of small business and tax services:

• Individual Tax Preparation • Sole Proprietor, Partnership, and Corporation Business Tax Preparation • Business Accounting Services • Accounting Systems Setup and Support • Small Business Consulting • Database Programming • Software Consulting and Training • W-2, 941, and 1099 Preparation • Estate and Trust Tax Preparation •



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A few things to note with the 2023 filing:

There have been very few changes for 2023. As usual the standard deductions have gone up and the tax brackets have gone up based on inflation. The child tax credit is still up to \$2000/child for those with income up to \$200,000 (\$400,000 married filing joint).

Things that have changed that might impact your 2023 filing:

- Premium Tax credit amounts have adjusted again. So if you had health insurance through the marketplace you may have a larger credit. The guidelines are no longer based just on 400% of poverty but also based on your income.
- Changes have been made for credits for New Electric Vehicles. Clean Vehicle credits have also been expanded in 2023 to used vehicles. If you purchased an electric vehicle in 2023 please let us know so we can determine if you are eligible for the credit.
- Residential Energy Credit has been extended. Beginning in 2023 this amount is going up to \$1200 per year. The rules vary depending on what you have done for your home but if you made energy efficient changes make sure to mention that when you submit your documents.
- Standard deduction has increased again--\$27,700 for Married filing Joint, \$13,850 for Single/Married filing separately, and \$20,800 for Head of Household filers. Filers over 65 get an additional \$1500-1850.

A few notes for 2024:

- The maximum contributions for retirements have gone up. For a 401k/403b you are allowed to contribute up to \$23,000 (or \$30,000 if you are 50 or older). If you don't have a retirement at work you are allowed to contribute up to \$7000 (or \$8000 for those 50 and older) to an IRA.
- Check your withholding! Now is the time to correct it if you changed it last year. If you are single or married and both spouses work use the first box on the W-2 (single, married filing separate). Make sure you and your spouse (or ex-spouse) aren't both account for children in your deductions. If you have a second job make sure you're taking out extra from that job because part time jobs rarely have enough take out. If you need help with your withholding please let us know.

The best way to contact us during tax season is to email us at [questions@circletax.com](mailto:questions@circletax.com). You can also call our main number at 816-753-1700. This year we are also using a texting app and you can text us at 816-298-0252. Please only use this number for texting! Do not send sensitive information via text. The texting line is primarily for sending us a quick message to confirm up load or quick questions. Please include your name when texting.

Finally, we appreciate you telling your friends about us, we will take on a limited number of new clients this year if you would like to refer a friend to us. If someone is looking for a new accountant (for year round work) we would prefer they contact us during off season so we can determine if it is a good fit outside of our busy time.

Sincerely,

Aimee L Sanita, EA

Please check out our website [www.circletax.com](http://www.circletax.com) for all the up-to-date information. You can also follow us on Facebook @CircleTaxAccounting (<https://www.facebook.com/CircleTaxAccounting>).

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