

January 17, 2024

Dear Circle Tax Family,

Can you believe it's time to file taxes again? Not much has changed since last year, but here's what you need to know:

The IRS will begin accepting e-filed returns on **January 27, 2025**. They expect most refunds to be issued within 21 days. However, if you're claiming the EITC or Additional Child Tax Credit, refunds may be delayed until late February.

Important Dates:

- **January 31, 2025:** Most tax forms must be postmarked, including W-2s and most 1099s.
- **February 18, 2025:** Investment documents are due. However, they may be delayed until **March 17, 2025** if an extension is filed.
- If you receive a **K-1**, you may have to wait even longer for your document.
- **March 17, 2025:** Partnership and S-Corp returns are due.
- **April 15, 2025:** Individual returns are due (or extension needs to be filed)

Feel free to start uploading your documents as you receive them; there's no need to wait until you have everything. If you've opted for paperless delivery with your employer or investment firms, remember to log in online to access those tax documents. While we do our best to ensure we have all your documents by comparing them to previous years, please double-check to make sure you've submitted everything.

How to Submit Your Documents:

Our filing process remains the same as previous years.

- The best way to get your documents to us is by uploading them to **ShareFile** (circletax.sharefile.com) in the "**Put Your Documents Here**" folder. While ShareFile has updated its design, the upload process is still the same. Once you've uploaded all your documents, please send us an email to confirm. If we don't know that everything has been uploaded, it may delay your filing.
- You can also send documents via fax (816-753-4703) or mail (address below).

Engagement & Pricing:

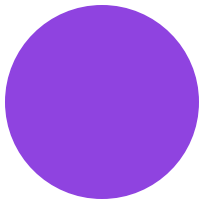
- We will **NOT** be sending out an engagement letter this year. By uploading your documents, we will assume you want us to prepare your return. As in previous years, we try to keep our prices low. Our base fee increased by \$5 this year, so if there is no significant change your fee should not go up more than \$5. If you would like a quote before we begin, please let us know.
- As always, our fee covers **Federal, State, and KCMO** returns, including **e-filing** for all returns that can be filed electronically. Our fees also includes uploading a full copy of your return to ShareFile. If you prefer a paper copy, there will be a \$15 fee for priority mailing. Let us know if you'd like a paper copy when you confirm your documents are uploaded.

Return Processing and Turn around Time:

Our goal is to complete all returns within **3 weeks** of receiving all necessary documents. Please note that the closer we get to the filing deadline, the longer the processing time may be. The IRS requires tax professionals to e-file nearly all returns. Once your return is completed we will send you an email with information as to your refund or balance due. We will also send your signature page and invoice electronically. Refunds can be issued via check or direct deposit, and balances due can be paid electronically or by mail. If you prefer direct deposit or auto debit, please provide your routing and account numbers.

To ensure your return is filed on time, the **latest date for guaranteeing timely filing is March 24, 2025**. If we are unable to complete your return by the deadline, we are happy to file an extension on your behalf.

Important Note: Filing an extension gives you an additional 6 months to file, which helps avoid the **5% per month failure-to-file penalty**. However, it does **not** extend the time to pay any taxes owed. If you expect to owe and are able to pay by April 15, please do so to avoid penalties and interest. The IRS will not send a bill until the return is filed. If you're unable to pay in full by April 15, please reach out to discuss payment options.



There have been very few changes for the 2024 tax year. As usual, the standard deductions and tax brackets have increased based on inflation. The Child Tax Credit remains up to \$2,000 per child for those with income up to \$200,000 (\$400,000 for married couples filing jointly).

Notable Changes for 2024:

- **Standard Deduction:**
 - ◆ **\$29,200** for Married Filing Joint
 - ◆ **\$14,600** for Single/Married Filing Separately
 - ◆ **\$21,900** for Head of Household
 - ◆ **Additional Deduction:** Taxpayers over 65 get an additional \$1,550-\$1,950.
- **Residential Energy Credit:** Beginning in 2023, this credit has an annual limit of **\$1,200** per year. The specifics vary depending on the energy-efficient improvements made to your home. If you've made such changes, please be sure to mention them when submitting your documents.

Looking Ahead to 2025:

- **Retirement Contribution Limits:**
 - ◆ For a **401(k)/403(b)**, the contribution limit is **\$23,500** (plus **\$7,500** if you're over 50, and more if you're between 60-63).
 - ◆ For an **IRA**, you can contribute up to **\$7,000** (or **\$8,000** for those 50 and older).
- **Withholding:** Now is a great time to review your withholding. If you changed it last year, consider making adjustments to avoid surprises. For single filers or married couples where both spouses work, use the first box on your W-2 (single, married filing separately). Be sure you're not both claiming children in your deductions. If you have a second job, make sure you're withholding extra, as part-time jobs often don't withhold enough. If you need assistance with this, feel free to reach out to us.
- **RMD Age Requirements:** The age requirement for **Required Minimum Distributions (RMDs)** is changing based on the taxpayer's birth year. It's currently 73, but will gradually increase to 75. If you're over 72, check with your investment advisor to ensure you are meeting the RMD requirements.
- **529 to Roth IRA Rollovers:** You can now roll over **529 plan** funds into a **Roth IRA**. If you have children who have finished school and still have funds in a 529 account, this could be a great option to consider.

Contacting Us:

- The best way to reach us during tax season is via email at questions@circletax.com.
- You can also call our main number at **816-753-1700**.
- A quick note: Our texting system, which was through Vonage, started having issues in September. We can receive most texts now, some carriers still prevent us from sending texts. If you text us, you'll most likely receive an email response. We apologize for this inconvenience this may cause.

Referrals:

We truly appreciate when you refer friends to us! We will be accepting a limited number of new clients this year. If you know someone looking for a new accountant (especially for year-round work), please encourage them to contact us during the off-season. This allows us to determine if it's a good fit outside of our busy tax season.

Thank you for your continued trust in Circle Tax. We're here to help you navigate the tax season with ease.

Sincerely,

Aimee L Sanita, EA