



January 12, 2023

Dear Circle Tax Family,

Happy Tax Season! Things have gotten back to normal when it comes to tax filings. There are no advances and no stimulus money we need to report this year. At this time, we still don't have a date when returns can be e-filed. Based on previous years, e-filing generally begins mid to late January. When you receive all your documents you can send them to us to prepare the return. Then we will submit it as soon as the IRS allows us to efile. The IRS is saying refunds should be issued within 21 days, however those with EITC or additional child tax credit will not be able to get refunds before mid-February.

Most tax forms are required to be postmarked by January 31, 2023. That will include W-2s & most 1099s. Investment documents aren't required to be out until February 15, 2023, 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 investments or other documents 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 (information below) 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 will be sending that letter through square. This letter will indicate the forms we are filing and the fee for preparing these documents. Please note that even though this is coming through square it is not a bill. We will send an invoice when the return is completed. When the return is completed 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 printing and 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. Please realize the later we get into tax season the longer the longer the processing time. The tax filing deadline this year is April 18, 2023. **Our final date for guaranteeing a timely filed return is March 24, 2023.** If we are unable to complete your return timely, we will file you an extension. We charge a \$25 fee for filing an extension. That will be taken off the final tax return price. **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 18<sup>th</sup> you should pay as much as possible.

Your fee will include Federal, Kansas, Missouri and KCMO (or other state returns designated on the engagement letter). This also includes e-filing all returns (if allowed). 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 18<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 has added additional rules for refunds this year so we are unsure if they will be allowing refunds to be filed electronically.

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 2022 filing:

Things that may make your tax liability higher (refund lower) than last year

- The child tax credit has gone back to it's original amount. That means it is up to \$2000 per child for qualified children under the age of 17.
- The childcare credit has returned to it's original amount. That means the credit is between 20-35% of your expenses up to \$3000 per child (total of \$6000 in expenses). The maximum total credit is \$2100.
- Charitable Donations are limited to those taxpayers that itemized deductions.
- Amounts of EITC for eligible taxpayer without children lowed back to prior amounts (around \$500). In additional age restrictions have returned to prior year limitations (ages 25-65).

Things that may make your tax liability lower (refund higher) than last year.

- Premium Tax credit amounts are higher than last year so if you had health insurance through the marketplace you may have a larger credit.
- Changes have been made for credits for New Electric Vehicles. (Clean Vehicle credits have also been expanded in 2023 to used vehicles.)
- Residential Energy Credit has been extended. For 2022 you are still limited to a lifetime amount of \$500. Beginning in 2023 this amount is going up to \$1200 per year.
- Standard deduction has increased again--\$25,900 for Married filing Joint, \$12950 for Single/Married filing separately, and \$19,400 for Head of Household filers. Filers over 65 get an additional \$1750.

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.

We are trying to make sure our records are updated. With this message there is also our info sheet and annual checklist. If you are able to fill it out and include it with your upload that would help us out greatly. We also have a fillable form on our website if you aren't able to print. If we haven't had a new info sheet filled out in several years our staff will follow up to verify information (address, email, and phone numbers).

Sincerely,

Aimee L Sanita, EA

Please check out or 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) (<https://www.facebook.com/CircleTaxAccounting>).

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