

2023 — 2024 GOODMAN'S TAX GUIDE

Established 1983

December 30, 2023

Happy New Year and welcome to a new tax season. My 2023 40th anniversary and Brittani's 2023 20th anniversary was a year to celebrate and remember. We've had ups and downs and have lost and gained staff members.



Celebrating 40 Years with a New Look

We celebrated 40 years with a brand new company website, check us out online at: www.goodmanbkpgtax.com. We are gaining quite the online appearance and appreciate your positive google review.

We restructured our office space to accommodate more staff and streamline procedures and added staff to tend to the ever growing duties and obligations we have to all of our clients and friends.

My health this year has taken a good turn around. Progress has been made to a more comfortable level and I will be diligent to stay on a good path. We also are always concerned with the mental health of staff and safety for our clients. We will retain compliance with all cleaning before and after appointments. Please be patient and kind with our new staff as they are quite eager to learn and welcome all of you.

Once again, strong odors including second hand smoke are strong irritants causing me allergic sinus symptoms. Please refrain from smoking immediately before coming in for your appointment and thank you in advance.

Please be reminded that all income tax returns are processed by date. Last year we attempted a "cut off date" for drop offs and in-office appts in order to allow us the final two weeks of the season to finalize client files already in the office awaiting additional information, etc.. This was quite successful actually. Therefore, we will once again for the 2023–2024 tax season, initiate a "cut off date" for drop offs and in office appts for **MARCH 30, 2024**. This date does not mean the work in the office won't be completed. This means we will assure you that if your return is in the office, subject to any other unknown variables such as awaiting on additional information from you, will be completed timely. All others will be put on Extension Form 4868 for your filing protection.

Please call the office to make your in-office appointment with Terri or Brittani. You can opt to drop off or if you wish to remit electronically, contact the office for a secure drop box link.

Please understand once again, unfortunately due to our economy, the cost of doing business continues to rise for us as well as increased IRS regulations and new forms. We appreciate your understanding and continued support..

Terri

- Standard business mileage rate for **2023** is 65.5 cents per mile.
- Standard business mileage rate for **2024** is 67 cents per mile.
- **2023** Charitable "Cash" Contribution deduction for non-itemizers is **EXPIRED**.
- 2023 long term capital gains rates remain the same at 0%, 15% or 20%.
- All personal or business tax receipts **MUST** be retained in your files.
- Business mileage logs are **REQUIRED** - we can't "dup" mileage driven from prior year.
- Meals are 100% deductible for company parties and with at least 50% of all employees present including in-office meals.
- Business meals with clients or traveling is 50% deductible.
- **NO** Client Entertainment is deductible.

Rule Effective January 1, 2024



Beneficial Ownership Information Reporting

The Corporate Transparency Act (CTA). As a reminder, any company registered to do business in the State of Ohio (or any state) as an LLC, C Corporation, Partnership, S Corporation and other business entities are subject to new reporting requirements effective Jan 1, 2024.

The filing of this report is required when any entity that is a limited liability company, limited partnership, general partnership, S corporation, C corporation or business trust has 1 or more owners who own at least 25% of the entity or control of it.

Entities required to file that were created BEFORE Jan 1, 2024 have one year until January 1, 2025 to file their initial report. Any new LLC created in 2024 have to file their initial BOI report WITHIN 90 calendar days after receiving notice of the Ohio registration.

IMPORTANT at this point, we are advising you of the filing requirement and are waiting on federal regulations indicating if this is the "practice of law" which at that point, our office could NOT assist you in filing said information.

It has been suggested to table this issue until after April 15, 2023 and we will send correspondence pertaining to this again, unless you are a **new** LLC in 2024 which then you must comply and file within 90 calendar days after receipt of your LLC registration.



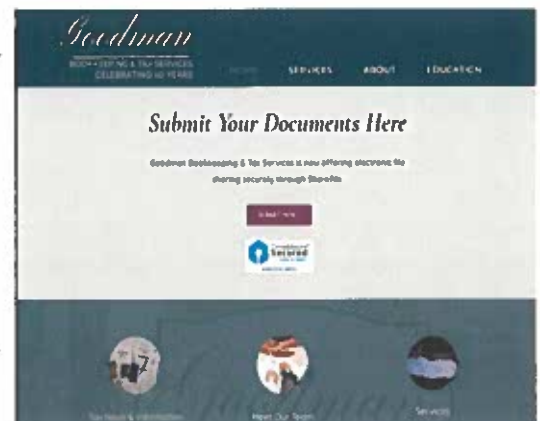
Security compliance management is that set of policies, procedures, and other internal controls that an organization uses to fulfill its regulatory requirements for data privacy and protection. Put another way, security compliance management is a subset of regulatory compliance management that specifically addresses data protection.

The goal of security compliance is to comply with legal standards, regulatory requirements and industry best practices to keep your data in our possession secure.

A comprehensive security strategy includes threat detection, incident response, encryption, access controls, regular vulnerability assessments, and the continuous evaluation of emerging risks. In a rapidly evolving digital landscape, where new threats emerge daily, security measures must adapt, evolve, and improve security posture.

Last year, we found that many clients sent income tax and personal identity information via email and even text messages. We **DO** have Share-File which is a secure portal that can be uploaded from our website and we have also included a link to upload documents in ALL staff emails. For the security of your personal and financial information, we are requesting you upload documents via the secure link from our website or you may call the office and request an email from staff to submit directly via the secure link.

We care about your information and want to maintain security and compliance with your personal and financial information. For a secure upload link feel free to visit our website at: www.goodmanbkpgtax.com



SECURE Act 2.0 — New retirement savings and rule changes

Required Minimum Distributions (RMDs): Delays the age for taking RMDs. Beginning 1/1/2023, the RMD distribution age is increased to 73. By 2033 the RMD age moves to 75. ROTH accounts in employer retirement plans are exempt from the RMD requirements beginning 2024. Penalty for failing to take an RMD decreases to 25% from 50%.

Qualified Charitable Distributions (QCDs): Beginning in 2023, people age 70.5 and older can elect part of the QCD limit up to \$100,000 per year; to limit a one-time gift up to \$50,000 to a charitable remainder annuity trust, a charitable remainder unitrust or a charitable gift annuity.

Student loan 401k matching: Beginning in 2024, employers will be able to “match” employee-qualified student loan payments with matching payments to a retirement account. See your financial advisor for more information.



Catch up Contributions expanded: In 2024, IRA contribution limits for those under age 50 are \$7,000 and for those age 50 or older are \$8,000. Of course there are income limitations to consider. **SINGLE** under \$77,000 is full deduction up to contribution limit. Over \$77,000—\$87,000 is partial deduction and over \$87,000 is no deduction. **MARRIED** under \$123,000 is full deduction up to contribution limit. Over \$123,000—\$143,000 is partial deduction and over \$143,000 is no deduction.

401K Increased limits: Contribution limit for employees participating in 401K, 403b and 457 Plans is increased to \$23,000.

Retirement Plan Withdrawals: Beginning 2024, the Secure 2.0 Act adds an exemption to the early withdrawal penalty from a tax deferred retirement account before age 59.5 as “for purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses” of up to \$1,000 withdrawal penalty free. This is only allowable distribution of 1 every 3 years or 1 per year if you pay it back within 3 years. These things get harder and harder. Be careful.

ROTH matching permitted: Beginning in 2025, your employer will be able to provide you the option of receiving vested matching contributions in ROTH accounts. This was done on a pretax basis but under this match will be after-tax.

EMPLOYEE RETENTION CREDIT: IRS expands work on aggressive ERC claims, 20,000 disallowance letters mailed, more action pending and voluntary disclosure program pending. On September 14, 2023 the IRS issued a moratorium on processing new ERC claims thru the end of 2023. The increased scrutiny of ERC claims is in response to misleading marketing campaigns that have targeted small businesses. The IRS is urging small business to withdraw their ERC claim as the ERC Mills have taken aggressive tactics against small businesses which have not met the basic criteria for the credit and have mislead the small business owner and taken advantage of monetary needs to continue operating.



These aggressive marketers have clearly filed claims that fall outside of the legal requirements and without the taxpayer’s knowledge. IRS continues to warn taxpayers to use EXTREME caution with aggressive marketers and scammers.

Credits for New Clean Vehicles Purchased in 2023 or After

If you buy a new plug-in electric vehicle (EV) or fuel cell vehicle (FCV) in 2023 or after, you may qualify for a clean vehicle tax credit. Find out if you qualify.

Who Qualifies

You may qualify for a credit up to \$7,500 under Internal Revenue Code Section 30D if you buy a new, qualified plug-in EV or fuel cell electric vehicle (FCV). The Inflation Reduction Act of 2022 changed the rules for this credit for vehicles purchased from 2023 to 2032.

The credit is available to individuals and their businesses.

To qualify, you must:

- Buy it new for your own use, not for resale
- Use it primarily in the U.S.

In addition, your modified adjusted gross income (AGI) may not exceed:

- \$300,000 for married couples filing jointly
- \$225,000 for heads of households
- \$150,000 for all other filers



You can use your modified AGI from the year you take delivery of the vehicle or the year before, whichever is less. If your modified AGI is below the threshold in 1 of the two years, you can claim the credit.

The credit is **nonrefundable**, so you can't get back more on the credit than you owe in taxes. You can't apply any excess credit to future tax years. You **can** apply the credit to the Dealer towards your down payment. Make a wise decision BEFORE you sign on the dotted line.

Qualified Vehicles

To qualify, a vehicle must:

- Have a battery capacity of at least 7 kilowatt hours
- Have a gross vehicle weight rating of less than 14,000 pounds
- Be made by a qualified manufacturer. See our [index of qualified manufacturers and vehicles](#).

FCVs do not need to be made by a qualified manufacturer to be eligible. See [Rev. Proc. 2022-42PDF](#) for more detailed guidance.

In addition, the vehicle's manufacturer suggested retail price (MSRP) can't exceed:

- \$80,000 for vans, sport utility vehicles and pickup trucks
- \$55,000 for other vehicles

MSRP is the retail price of the automobile suggested by the manufacturer, including options, accessories and trim but excluding destination fees. It isn't necessarily the price you pay.

You can find your vehicle's weight, battery capacity, final assembly location (listed as "final assembly point") and VIN on the vehicle's window sticker.

To check online if a specific vehicle meets the requirements for final assembly location, go to the Department of Energy's page on [Electric Vehicles with Final Assembly in North America](#) and use the VIN Decoder tool under "Specific Assembly Location Based on VIN."





Treasury Dept claims IRS to monitor all US bank transactions over \$600 — changes have been made

The Biden Administration raised the threshold to bank accounts with more than \$10,000 in annual transactions vs \$600 and have exempted income received thru paychecks such as wages and pension income as well as unemployment and Social Security income. The IRS would collect the total sum of deposits and withdrawals from bank accounts with more than \$10,000 annual non payroll income. If you don't have \$10,000 above your paycheck and Social Security income, etc. going in or out then there's no additional reporting by the Bank. The IRS will use this information to match to the gross of your income tax return and you know what will happen after that. **Red flag.**

IRS delays reporting 1099-K for Venmo, Square, Cash App, etc.

In November, 2023, the IRS **delayed** the new \$600 Form 1099-K reporting threshold for 3rd party payment organizations such as Venmo, Square, Cash App, Stripe, PayPal, Stax, ApplePay, GooglePay, Clover, QuickBooks Payments, Amazon, WePay, BitPay, etc. The threshold will be increased to \$5,000 in 2024 with a phase in implementation. Regardless when the regulation goes into effect, it won't be so easy to tag a payment "thanks for the pizza" when the payments are Direct Deposited into your business checking. If you earned it, claim it because the IRS will figure it out.

Child Tax credit: Child must be "under the age of 17" at end of 2023 to be qualified for Child Tax Credit of \$2,000/child.

Educator Above-the-Line deduction: Elementary and secondary school teachers can deduct an above-the-line deduction of \$300 for unreimbursed business expenses. Qualified expenses are amounts you for professional development courses, books, supplies, other equipment, and supplementary materials that you use in the classroom. Qualified expenses may include the amounts for personal protective equipment, disinfectant, and other supplies. Ohio teachers may also deduct up to \$250 for expenses in excess of the Federal deduction.

Student Loan Payments: The pausing of Student loan payments has seen the last extension, which ended 9/30/23. Effective 10/1/23 all student loan payments are resuming.

Airbnb—VRBO Vacation Rentals possibly subject to SE tax: The IRS has issued guidance that states "payments for the use, occupancy of rooms or other space where services are also used by the occupant are included in determining net earnings from SE." Generally, services are considered rendered if "they are primarily for the convenience of the occupant". Therefore, if a furnished vacation beach dwelling provides services for the comfort and convenience of guests **is** subject to SE tax. Services such as maid services, swimming and fishing instruction, mail delivery, bus schedules furnished, church information and services provided for the occupants convenience **are** subject to SE tax as the rental does not apply. Therefore, no Sch E and we must file a Sch C.

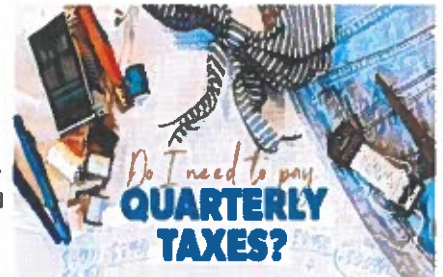
New Electronic Filing Regulations: - Information Returns: Beginning in 2023, the IRS is requiring if we have more than 10 information returns to file which include 1099s and W2s, we are required to file them electronically and must register for a Transmitter Control Code. Unfortunately this results in additional software and registration fees to comply with the IRS mandate. For 2023 Information returns being prepared the per form fee will increase \$2/per form.

ESTIMATED TAX PAYMENTS ARE THE TAXPAYERS RESPONSIBILITY

Annually, we run into situations wherein clients misunderstand the IRS "penalty" letter received after filing and having a balance due. Taxes **must** be paid as you earn or receive income during the year, either thru withholding or estimated payments.

Generally, taxpayers can AVOID an IRS underpayment of estimated tax penalty if

1. you owe less than \$1,000 after withholding and credits, or
2. you pay at least 90% of the current year tax or
3. you pay 100% of the prior year tax, whichever is smaller. Estimated tax penalties are your responsibility. We offer quarterly mock up services wherein staff calls to remind you we need your income and expenses in order to calculate your ES voucher and



GOODMAN BOOKKEEPING & TAX SERVICES

IMPORTANT DATES

JAN 15 Final quarter estimated payment for current tax year	APRIL 15 Filing deadline for annual returns and first quarter estimated tax payment for current year	JUNE 17 Second Quarter estimated tax payment due
SEPT 16 Third quarter estimated tax payment due	OCT 15 Final Extended deadline to file your tax return	

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State and Local estimated tax payments are required if you expect to owe \$200 or more at filing.

Quarterly ES payments are due April 15th, June 15, September 15th, and January 15th of the next tax year. We suggest ES #4 payments be paid by December 15th of current tax year.

LATE FILING PENALTIES : The minimum penalty for returns filed 60 days after the due date is the lesser of \$435 or 100% of the amount of tax shown on the return!!!! If you file a Form 4868 Extension of Time to File and expect a balance due, an estimated tax payment **must** be paid at the time of filing the Form 4868. An extension grants 6 months additional time **to file, not** additional time to **pay**. All tax balances are due by **April 15, 2024**.

Make sure all IRS and other Govt Agency letters are forwarded to our office for review !



2023 Tax Return Checklist

PERSONAL IDENTIFICATION:

All Clients—Drivers License, SS Card, Dates of Birth, address, telephone #, change of address, dates of move, dependent SSN and DOB.

New Clients—all above including marriage license and divorce decree.

INCOME:

Form W2, 1099-G for State Unemployment benefits, Form SSA 1099, Form 1099-INT, Form 1099-R, Form 1099B (Stock Sales), Rental Sch E income and expenses, Sch C sole proprietor business income and expenses, Cost Basis of securities sold.

EXPENSE:

Charitable contributions, medical expenses, Form 1098 Tuition, College transcript of payments made, Form 1098 mortgage interest, real estate taxes, **proof** of estimated tax payments paid.

Be **sure** to include Closing Statements on buy and/or sale of residence, rental or commercial properties, bank account and routing number information. If more information is needed, you will be given a Grocery List of items to provide. Our staff will keep in touch with you to secure additional documentation.

What's New for Ohio Tax Year 2023 and 2024



Ohio Income Tax Tables: Ohio's 2023 individual income tax brackets have been modified so that individuals with Ohio taxable nonbusiness income of \$26,050 or less are **not** subject to income tax. For 2024 the number of tax brackets is reduced from 3 to 2 reducing top bracket to 3.5%

Ohio Small Business Deduction: 100% of pass thru entity income (25% owner) and Sch C small business taxpayers net income up to \$250,000 is deductible from income.

Ohio 529 Deduction: Deduction for contributions to a 529 Plan is no longer limited to Ohio Plans. For 2023 the maximum contribution deduction is \$4,000/year per beneficiary.

Ohio Minimum Wage: Effective 1/1/2024 is \$10.45/hour and Tipped Employees are \$5.25/hour.

Ohio Municipal Tax for Minors Exempted: Beginning 1/1/2024, all municipal corporations must exempt the income of individuals "**under age 18 years of age**" from municipal income tax. Therefore, employers are not required to withhold local withholding and if so, the minor may file for a refund from the municipality.

Ohio Scholarship Donation Credit: In tax year 2023 individual taxpayers and pass-through entities can claim a credit for monetary donations made to an eligible scholarship granting organization (SGO). The credit equals the lesser of \$750 per taxpayer or the total amount donated to SGOs during the tax year not to exceed \$1,500 for MFJ.

- * This credit is **non refundable** (limited by your tax liability) and no carry forward
- * No current expiration date
- * **MUST** be receipted by SGO and can be used on Federal Sch A as applicable
- * Paid "directly" to the SGO which **MUST** be registered as an SGO on the Ohio OAG website at charitable.ohioago.gov/Scholarship-Granting-Organization-Certification/List



Ohio Commercial Activity Tax (CAT): Currently, businesses with annual gross receipts under \$150,000 are excluded from filing and paying the CAT tax. For **2024**, taxable gross receipts of \$3 million or less are excluded from filing and paying the CAT tax. We will file a **FINAL** CAT report in May, 2024 for the 2023 filing period and there will be no additional 2024 quarterly or annual returns to be filed!!! In 2025 the excluded gross receipts rises to \$6 million.

Ohio Homestead Exemption for Spouses of Officer Killed in Line of Duty: Exemption in market value of primary residence of \$50,000 is qualified for the spouse of public service officer killed in the line of duty which will result in a real estate tax reduction.

PLEASE come to your tax appointment prepared with all documentation to avoid delays.





It is quite apparent that new laws, regulations and requirements have been put upon us, whether we like it or not. This leads to stress, anxiety and mental health issues that are a major focus in our country. In times of despair and not being able to see the light, we should all come together and help each other without judgment. We strive to support each other, our staff and our clients and request consideration and understanding while we serve your needs.

We have experienced a change in our country and in our work ethic. Customer service has gone to the wind and yet we strive for "Excellence in Personal Service" for our clients and will continue to do so.

We have restructured some of the offices to make as much use of the space we have in order to operate efficiently and add additional staff. We have experienced growth annually and have a few new faces for the upcoming season. We have trust in our new staff and look forward to you welcoming Liz, Marissa, Nick, and Lindsay who are all eager to serve you. Please keep in mind they are still learning but will do all they can to assist you in whatever way they can.

As we enter our busy season, we want to highlight that this is our favorite time of year. We will continue to strive for a healthy work/life balance for ourselves and our staff members. We love serving our clients and businesses, but all have personal lives as well. We appreciate your support and understanding on processing times. Terri and Brittani BOTH review each tax return in and out of the office.

The grandkids are growing as Blake is now age 16 and working on his drivers license. Brantley will turn age 11 in February, Alia is now 5 years old and Harlow is age 4. Brandon is a Building Trades Instructor and Jen works her hairstylist business. Brittani is going on year 21 with the Company and Raymond is now a TPD Detective. Mom (Grandma) is still getting along nicely and comes to the office for special projects and running errands and loves every minute of it.

We are looking forward to the new season and want to thank you all for the loyalty you have shown over the years.

Cheers to more years! See you soon.

Terri & Brittani



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