ACCOUNTING &
TAX SERVICES
WE CAN HELP!
DIVERSE COMMUNITY PARTNERS INC
$$$$!
$$$$!
$$$$!
$$$$!
IN THE BUSTLING METROPOLIS, THE SUPER ACCOUNTANT SWOOPS IN TO SAVE THE DAY, BALANCING SPREADSHEETS BY DAY AND DEFENDING CLIENTS FROM FINANCIAL VILLAINS BY NIGHT.
BOOKKEEPING
PAYROLL
TAX
TAX PROBLEMS?

INTRODUCTION

Maya Angelou's wisdom echoes in my mind: "When someone shows you who they are, believe them." With that sentiment in mind, allow me to reveal my journey. Picture this: I almost lost my home and faced bankruptcy. Once the proud owner of Diversity Den, a coffee shop in a Concord, NC shopping center, I initially thought it was an ideal café size and location. However, circumstances led me to settle for a different location. Within 30 days of moving there, I realized I was headed for business failure. To my astonishment, the chosen location was not conducive to that type of business, and I later discovered that half of the shopping center was going out of business.

A conversation with a real estate agent enlightened me about what made this location unsuitable. This experience taught me a valuable lesson in business, prompting me to ask my clients the tough questions

This lesson was harsh, resulting in the loss of my pension and almost everything meaningful to me. I couldn't even afford my home utilities. In the initial month of launching Diverse Community Partners Inc., I found myself out of gas while visiting a client. With humility, I had to ask my client for assistance with gas money.

From occupying a modest 100-square-foot office in the beginning, Diverse Community Partners Inc. has evolved into a thriving practice with an office space of approximately 3,800 square feet. Building a business demands dedication and delivering quality work. Over the past 10 years, I have invested my time in serving the community, supporting clients with their accounting needs—a privilege and honor.

To my clients, I confidently assert that dreams can become a reality. I share with them my motto: "Don't worry until I tell you to worry." Your business is your own, but I strongly advise clients not to engage in any business without consulting with me first. I may not be the cheapest or the most expensive accountant, but the quality and passion I bring to my clients are priceless. Integrity is not just a word but my middle name, and I am honored to serve our clients.

WHO WE ARE?

DCP SERVICES

NEW START UP

Assist in the development of the appropriate organization structure, projections, and budgets.

BOOKKEEPING

Let us support you by taking you to the cloud! Size does not matter. Understanding your financial position is essential. We offer our clients inexpensive bookkeeping options, which includes financial statements (Balance Sheets & Income Statements). We are a Gold Partner with Xero accounting.

INCOME TAX PREP

We will analyze your documentation and create all the necessary paperwork, electronic filing information, etc. Once your tax returns are ready, we'll schedule a review with you.

NON-PROFIT

We will review and identify Regulatory Compliance requirements including bookkeeping and Income Tax requirements.

ASSURANCE SERVICES

We partnered with local Certified Public Accounting firms to sign off on audit report. We assist with the audit and reviews by preparing the work-papers which results to saving.

> ***"For all new clients we review prior year income tax returns for errors and omissions, and discuss potential options towards remediating the filing."***

ABOUT JOYCE SAINT CYR

Joyce Saint-Cyr is a resilient individual who has not only faced but triumphed over challenges that would daunt others. Her academic journey includes obtaining a Bachelor's Degree in accounting from Bernard Baruch College in the bustling metropolis of New York City, followed by the attainment of her Master's Degree from Strayer University in the vibrant state of North Carolina.

Armed with a profound understanding of the financial landscape, Joyce has carved a niche for herself as a seasoned business strategist. Her unique combination of skills, knowledge, and extensive experience positions her as a catalyst for propelling businesses to new heights in remarkably short timeframes. With a proven track record, she has successfully overseen business and audit projects for renowned financial institutions such as Bank of America and Ernst & Young.

With an impressive career spanning 35 years, Joyce Saint-Cyr has not only emerged as a Business Accountant but also as a strategist and an author. Her book, "Starting a Small Business - The Real Deal," stands testament to her wealth of knowledge and insights into the intricacies of entrepreneurship. Beyond her professional achievements, Joyce has become a trusted and valued advisor to her clients, offering them the benefit of her extensive expertise in the realm of finance and business.

Owning a business is a journey that demands immense satisfaction and unwavering dedication. In 2013, Diverse Community Partners Inc (DCP) came into existence, and over the past decade, it has become a testament to the commitment and sacrifices made in service to the community.

The founder, whose dedication is the heartbeat of DCP's success, takes great pride in the journey of the past 10 years. This milestone is not just a measure of time, but a reflection of the hard work, resilience, and genuine passion poured into building and sustaining an enterprise committed to making a positive impact.

One distinguishing factor in DCP's success story lies in the founder's profound appreciation for the clients. Every client is viewed as a partner, and their trust is not taken for granted. The lasting relationships and positive reviews are a tangible manifestation of the founder's commitment to delivering quality services and making a meaningful difference in the community. In the world of Diverse Community Partners Inc, the clients are not just customers; they are valued collaborators in a shared mission of service and impact.

MEET THE TEAM

“I love being part of a team at Diverse Community Partners Inc. (DCP) because I can come to work, confide and laugh with my coworkers as well as learning the fundamentals of Accounting that I never knew”.

Naomi Logrono
Admin Accounting Assistant

The past 8 years, I have worked with DCP. My position is assisting onboarding new clinets. I love working with Ms. Joyce and using Xero. Xero is very user friendly and has made my job easier. Working for Ms. Joyce is not just a job but working with someone who cares about you and your family! I am grateful for the opportunity.

Shiralyn David
Accountant

“The reason I love working at DCP, is because there is never a dull moment in the office along with having the opportunity to learn new tax laws. In addition, I love the diversity of our TEAM and CLIENTS.”

Shamir Hubbard
Jr. Accountant

It’s an environment where we are trained to appreciate that the clients are a priority.

Yves M Joseph
Procedural Quality Reviewer


YOU THINK YOU'RE A
BUSINESS OWNER?
HAVE YOU CREATED YOUR EIN?
ARE YOU SEPARATING YOUR EXPENSES?
ARE YOU A LLC OR CORPORATION?
DO YOU HAVE LEDGERS?
POW!
WHO ARE YOUR CLIENTS?
DO YOU HAVE A BANK ACCOUNT?

ENTITY TYPE	LIABILITY	TAXATION	FORMATION	MAINTENANCE
Sole Proprietorship	Owner personally liable for business debts. Same advantages as a regular limited liability company.	Owner reports profit or loss on his or her personal tax return.	Simple and inexpensive to create and operate. No filing necessary.	No formal corporate maintenance is required.
General Partnership	Owner (partners) personally liable for business debts	Owner (partners) reports profit or loss on his or her personal tax returns.	Simple and inexpensive to create and operate. No filing necessary.	General partners can raise cash without involving outside investors in management of business.
Limited Partnership	Limited partners have limited personal liability for business debts as long as they don't participate in management.	The limited partnership provides the limited partners a return on their investment (similar to a dividend), the nature and extent of which is usually defined in the partnership agreement.	Suitable mainly for companies that invest in real estate. More expensive to create than general partnership.	Limited partners have no management authority, and (unless they obligate themselves by a separate contract such as a guaranty) are not liable for the debts of the partnership.
Limited Liability Company	Combines a corporation's liability protection and pass-through tax structure of a partnership.	IRS rules now allow LLCs to choose between being taxed as partnership or corporation.	More expensive to create than partnership or sole proprietorship	Sale of member interests may take place per company policy.Signifi-cantly easier to maintain than a corporation.
Professional Limited Liability Company	Members have no personal liability for malpractice of other members; however, they are liable for their own acts of malpractice.	A single member PLLC is treated as a disregarded tax entity, the same as a sole proprietor, giving it pass-through tax treatment. A multiple member PLLC taxed as a partnership.	State licensed professionals a way to enjoy LLC advantages. Members must all belong to the same profession. Not available in all states.	Members have great flexibility through written operating agreement to define rights & responsibilities, powers, financial matters of PLLC, and rights / restrictions re: ownership interests.
C-Corporation	Owners have limited personal liability for business debts.	Owners can split corporate profit among owners and corporation, paying lower overall tax rate. Separate taxable entity. Fringe benefits can be deducted as business expense.	May have an unlimited number of shareholders. More expensive to create than partnership or sole proprietorship.	Shares of stock may be sold to raise capital. Meetings are required to maintain corporate status.
Professional Corporation	Owners have no personal liability for malpractice of other owners. Owners have liability for own acts of malpractice.	PCs are granted the taxation benefits of a corporation.	More expensive to create than partnership or sole proprietor-ship. All owners must belong to the same profession.	Formality requirements (e.g. annual reports, minutes, meetings) are required to maintain corporate status.
Non-Profit Corporation	A nonprofit corporation is a corporation formed to carry out a charitable, educational, religious, literary, or scientific purpose.	Full tax advantages available only to groups organized for charitable, scientific, educational, literary or religious purposes.	A nonprofit corporation doesn't pay federal or state income taxes on profits it makes from activities in which it engages to carry out its objectives.	Formality requirements (e.g. annual reports, minutes, meetings) required. Property transferred to corporation stays with corporation; if corporation ends, property must go to another nonprofit.
S-Corporation	Owners have limited personal liability for business debts.	Owners report their share of profit or loss on their personal tax returns. Income must be allocated to owners according to their ownership interests. Owners can use corporate loss to offset income from other sources. Fringe benefits limited for owners who own more than 2% of shares.	More expensive to create than partnership or sole proprietorship.	More formality requirements than for a limited liability company which offers similar advantages.

In DCP...
YOUR SUPER ACCOUNTANT HAS SOMETHING TO SAY!
Bachelor of DCP!! Accounting
IT IS VERY IMPORTANT !!!
HOW MANY OF YOU BELIEVE TODAY'S MEAL IS TAX DEDUCTABLE?
OF COURSE! WE'RE TALKING BUSINESS!
THEN EVERY MEAL THAT PERTAINS TO BUSINESS IS TAX DEDUCTABLE!!!
Meals...
nod
clap
ACTUALLY... THE IRS CHANGED THE RULES. IT HAS TO MEET 1 OF 4 CRITERIA:
MEALS WITH CLIENTS (OR POTENTIAL CLIENTS)
MEALS TRAINING (WITH EMPLOYEES)
MEALS TRAVEL
MEALS YEAR END PARTY
I THOUGHT WE COULD STUFF OUR FACES AND ALLOCATE IT ANYWHERE! THANK YOU SUPER ACCOUNTANT!!
TODAY IS A DEDUCTION.. BECAUSE WE'RE ALL CLIENTS! LETS EAT!!!

NEW SELF-EMPLOYED REPORTING RULES

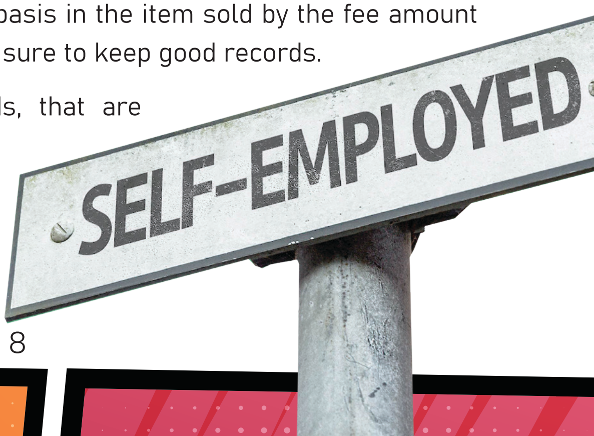
In 2021, Congress enacted more information reporting for transactions paid through third-party payers. Third-party settlement networks, such as PayPal, Square, Venmo and eBay, must send Form 1099-K to recipients who are paid over $600 a year for goods or services.

The rules first kick in for 2023 1099-Ks which will be sent out in 2024. They were supposed to take effect for filings in 2023, but IRS delayed the changes. More people than ever will receive 1099-Ks because the new rules greatly lower the threshold for 1099-K filings. Under the old rules, these 1099-Ks were sent only to payees with over 200 transactions and who were paid over $20,000, now the threshold is a total of $600 or more regardless of the number of transactions. So, one transaction of $600 could generate the issuance of a Form 1099-K.

Taxpayers will have to figure out how to report the amounts on their 1040s. If you sell a washing machine on eBay in 2023 for $800, and you paid $1500 for it, eBay should send you a 1099-K in late January 2024, reporting the $800 sales price. Even though you do not have income, and you cannot deduct this personal loss, you will still have to report the transaction on your Form 1040 that you file next year. You will report the $800 as other income on Schedule 1, line 8z, and the cost as other adjustments on Schedule 1, line 24z, so the two amounts offset. However, since you cannot take a loss, the amount of the reportable cost will be equal to the sales price.

Say StubHub sends you a 1099-K for selling $1,600 tickets that you paid $400 for. You'd report $1,200 of capital gain on Schedule D. People in business would generally report their income on Schedule C. The 1099-K reports only the gross amount of the payments from the entity. It does not account for offsets, such as fees, refunds, or chargebacks. If you pay fees to an online marketing place, you would increase your cost basis in the item sold by the fee amount when figuring any gain or loss. So be sure to keep good records.

Payments from families and friends, that are deposited into personal accounts, should not be reported on 1099-Ks. The new reporting rules apply only to payments for sales of goods and

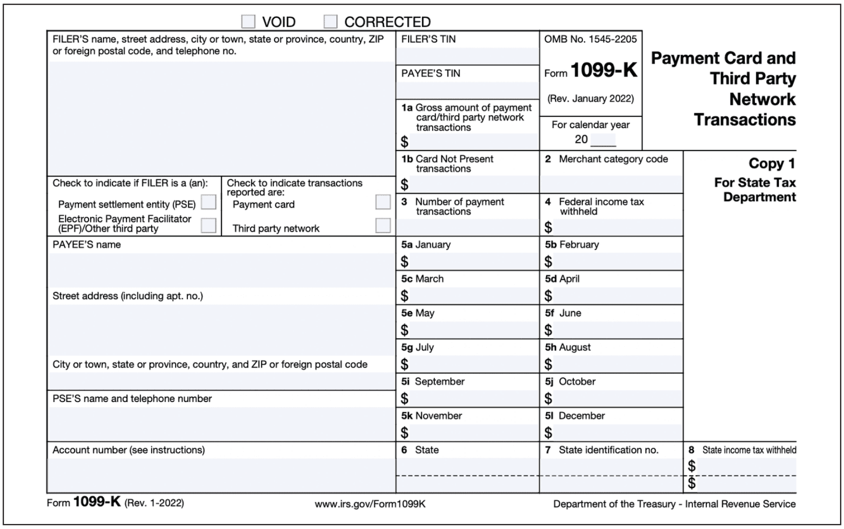


services. If, for example, if you pay for plane tickets for two of your friends, and they use Venmo to reimburse you $900 for their share of the cost, Venmo should not send you a 1099-K.

The 1099-K changes does not alter the taxation of the underlying transactions. Even if you do not receive a 1099-K for money received through a website or an app for selling goods or services, you are still taxed on the gain or income. However, IRS knows many people will not report the amounts, absent receiving a 1099 form. The income misreporting rate for taxpayers who do not get a W-2 or a 1099 is 55%.

Relaxing the 1099-K reporting rules has bipartisan support in Congress. Although it is unlikely that the new changes will be repealed in their entirety, as many Republicans desire, the odds are better for some sort of compromise. For instance, increasing the annual monetary threshold to $5,000 or $10,000 and/or perhaps delaying the start date of the changes for another year or two. Lawmakers and taxpayer advocacy groups worry how IRS will handle the influx of 1099-K forms and the abundance of phone questions if the law is implemented in 2024.

If you are selling business goods and services, or selling personal items in an online marketplace, contact our office for an assessment of how this will affect your tax liability (if at all) and to gather the information that will be needed at tax time to accurately complete your return.



VOID CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

FILER'S TIN

PAYEE'S TIN

OMB No. 1545-2205

Form **1099-K**

(Rev. January 2022)

For calendar year 20

Payment Card and Third Party Network Transactions

1a Gross amount of payment card/third party network transactions $

1b Card Not Present transactions $

2 Merchant category code

Copy 1

For State Tax Department

Check to indicate if FILER is a (an): Payment settlement entity (PSE); Electronic Payment Facilitator (EPF)/Other third party

Check to indicate transactions reported are: Payment card; Third party network

3 Number of payment transactions

4 Federal income tax withheld $

PAYEE'S name

Street address (including apt. no.)

City or town, state or province, country, and ZIP or foreign postal code

PSE'S name and telephone number

Account number (see instructions)

5a January $	**5b** February $
5c March $	**5d** April $
5e May $	**5f** June $
5g July $	**5h** August $
5i September $	**5j** October $
5k November $	**5l** December $

6 State

7 State identification no.

8 State income tax withheld $ $

Form **1099-K** (Rev. 1-2022) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service

Reference NSTP.org


Diverse Community Partners, Inc.
Accounting Services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WORK ATTIRE THAT CAN BE DEDUCTED:

If you are running a business that requires protective clothing, you can deduct the cost of these items. For example, if you own a construction company, you can deduct the cost of purchases such as hard hats and safety boots.

UNIFORMS AND WORK CLOTHES

While protective clothing is distinctive as work attire, many types of uniforms and other work clothes aren't as obvious. In order to deduct the cost of uniforms or work clothes, the item needs to be distinctive and not appropriate for everyday wear. For instance, a polo branded with your company logo would be deductible, while khaki pants wouldn't be (even if they are a part of the company uniform) since they can easily be worn outside of the business.

COSTUMES

Musicians and entertainers can deduct the cost of theatrical clothing and accessories as long as they're not suitable for everyday wear. This seems simple enough, but deciding what is "suitable" for everyday can be challenging. Entrepreneur.com pointed out a Las Vegas showgirl who was audited after claiming the cost of her costumes. She was told her costumes weren't tax deductible as she could wear the outfits outside of performances. To prove them wrong, she came to the audit dressed in one of the costumes in question, was unable to sit down due to the outfit's shape and won. If you're going to deduct the cost of a costume, be sure that it isn't clothing that could be reasonably worn outside of performances.

PROFESSIONAL ATTIRE

This is the category that people find most confusing. It may seem like you should be able to deduct the cost of a suit you bought for a conference, but unfortunately suits aren't at all deductible. Professional clothes such as suits or work dresses can be worn to events outside of the business, therefore you can't deduct the cost. It's not important whether you would wear the item outside of work, it just matters that it's not distinctive enough to not wear it when you're not on the job.

PROMOTIONAL ATTIRE FOR YOUR EMPLOYEES

Clothing that promotes your business is deductible as a promotional expense. This includes the cost of the clothing itself, and the cost of adding your business logo to the item. You can claim this promotional cost as a miscellaneous deduction on your tax return.

WHAT IS BOOT IN A 1031 EXCHANGE?

First, let's start with the rules of a 1031 exchange, also known as a like-kind exchange. It is a provision in the United States tax code (Section 1031 of the Internal Revenue Code) that allows real estate investors to defer capital gains taxes on the sale of investment or business properties when they exchange them for other like-kind properties. As a result of the Tax Cuts and Jobs Act (TCJA), like-kind exchanges are limited to real estate located in the U.S.

KEY POINTS TO UNDERSTAND ABOUT A 1031 EXCHANGE INCLUDE:

1. Tax Deferral: In a 1031 exchange, the capital gains taxes that would normally be due upon the sale of an investment property are deferred as long as the proceeds from the sale are reinvested in a like-kind replacement property.

2. Like-Kind Properties: The term "like- kind" refers to the nature or character of the properties involved, rather than their specific type. In the context of real estate, most real property used for business or investment purposes can qualify, as long as it is exchanged for other real property of a similar nature. For example, an apartment building can be exchanged for an office building, a retail property, or other forms of commercial real estate.

3. Timing: There are strict timeframes that must be adhered to in a 1031 exchange. The investor has 45 days from the date of selling their relinquished property to identify potential replacement properties. They must then com-

plete the exchange by acquiring one or more of the identified replacement properties within 180 days from the sale of the relinquished property.

4. Qualified Intermediary (QI): To ensure compliance with the tax code, a third-party intermediary known as a Qualified Intermediary or QI is usually involved in the exchange process. The QI holds the proceeds from the sale of the relinquished property and facilitates the acquisition of the replacement property, ensuring that the investor does not directly access the funds during the exchange.

5. Boot: "Boot" refers to any non-like-kind property or cash that might be received or given during the exchange. Receiving boot can result in an immediate tax liability. If the value of the replacement property is lower than that of the relinquished property, or if the investor receives cash or other non-like-kind property (i.e., something that is not real estate) as part of the exchange, the difference is referred to as "boot."

BOOT CAN BE CATEGORIZED INTO THE FOLLOWING TYPES:

1. Cash Boot: This occurs when the investor receives cash as part of the exchange. Cash boot is immediately taxable, meaning the investor will need to pay capital gains tax on the amount of cash received.

2. Mortgage Boot: If the taxpayer assumes a smaller mortgage on the replacement property compared to the mortgage on the relinquished property, the reduction in mortgage debt is considered mortgage boot. Like cash boot, mortgage boot can trigger capital gains tax liability. For example, if the relinquished property had a larger mortgage than the replacement property, the reduction in debt is considered a gain and is subject to taxation.

3. Personal Property Boot: If personal property, such as furniture or equipment, is exchanged as part of the transaction and it has a higher value than the personal property given up, the excess value is considered personal property boot. This can also trigger capital gains tax liability.

It is important to note that while the presence of boot may trigger immediate tax liability, the rest of the exchange can still qualify for tax deferral under Section 1031. To completely defer capital gains taxes, the investor should ideally reinvest all the proceeds from the sale of the relinquished property into the replacement property and ensure that the value of the replacement property is equal to or greater than that of the relinquished property.

Resource NSTP

THE TOP 9 BENEFITS OF USING XERO

1. THERE'S NO NEED TO STORE FILES ON YOUR COMPUTER WITH CLOUD ACCOUNTING

Cloud computing means that everything is stored, of course, in the cloud. So, you don't need to worry about your files taking up huge amounts of space on your computer as everything is saved safely on the cloud.

This also means that if your computer is lost, stolen or damaged you'll still have access to all your accounts through the cloud.

2. YOU CAN HANDLE YOUR ACCOUNTS, WHEREVER YOU ARE

Because your files aren't stored on your computer, it means that you can take care of your accounts wherever you are, on any device. You'll always have safe access to your accounts wherever you are.

3. IT'S SAFE AND SECURE

One of the main concerns around cloud computing is whether or not it's secure. The simple answer is: yes, Xero cloud accounting software is secure. Why? Because Xero stores your data securely online and encrypts it using industry standard data encryption. The servers your data is stored in also have a high level of physical security.

Like any cloud accounting software, the company's reputation hangs on whether or not they can guarantee that your data is adequately protected. So, it's in Xero's best interests to maintain the highest level of security to protect its customers.

4. YOU CAN ENJOY FREE PRODUCT UPDATES

Another benefit of cloud accounting means that you get to enjoy the latest, most up-to-date versions of Xero. Xero is a subscription service, as opposed to a product you download from a disc or from the internet. This means that as long as you're a subscriber to the service, you'll always have the latest version. Unlike a downloaded copy, where you need to pay every time a new version is released.

xero CERTIFIED ADVISOR

Xero for Small business

WORKER CLASSIFICATION REMAINS A PRIORITY FOR THE IRS

The IRS continues to seek back payroll taxes and penalties from firms that wrongly treat workers as contractors. There are three tests used to determine the correct classification of workers:

- The behavioral test looks at whether the firm controls or has the right to control the worker's job. Key factors for employee status include instructions about doing the work, evaluation criteria and training.
- The financial test looks at who controls the economics of the worker's job. Being able to work for multiple firms and providing your own tools needed for the job are indicative of independent contractor status. Some factors favoring employee status are eligibility for reimbursement of travel costs and payment based on hours worked.
- The type-of-relationship test examines how the parties perceive each other. Evidence of an employer-employee setup includes giving paid sick and vacation days and retirement benefits, as well as hiring the worker to render services indefinitely rather than for a specific time period or project. Written language in a contract stating the worker is an independent contractor isn't determinative under this factor.

Businesses must weigh all these factors when determining whether a worker is an employee or independent contractor.

Some factors may indicate that the worker is an employee, while other factors indicate that the worker is an independent contractor. There is no "magic" or set number of factors that "makes" the worker an employee or an independent contractor and no one factor stands alone in making this determination. Also, factors which are relevant in one situation may not be relevant in another.

If it is still unclear whether a worker is an employee or an independent contractor after reviewing the three categories of evidence, then Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding, can be filed with the IRS. The form may be filed by either the business or the worker. The IRS will review the facts and circumstances and officially determine the worker's status.

The Labor Dept. is also getting aggressive about worker classification. It issued a tougher interpretation of the classification rules for workers under the Fair Labor Standards Act. The proposed regs would rescind previous rules published by the Trump administration in early January 2021. The new proposal, which focuses on the totality of the circumstances, has a no exhaustive list of factors for a firm to consider in determining whether its workers are employees or contractors. The rule, if finalized as proposed, is expected to increase the number of workers that are classified as employees when compared with the 2021 regulations.

COMMERCIAL CLEAN VEHICLE CREDIT

Businesses and tax-exempt organizations that buy a qualified commercial clean vehicle may qualify for a clean vehicle tax credit of up to $40,000 under Internal Revenue Code (IRC) 45W. The credit equals the lesser of:

- 15% of your basis in the vehicle (30% if the vehicle is not powered by gas or diesel)
- The incremental cost of the vehicle

The maximum credit is $7,500 for qualified vehicles with gross vehicle weight ratings (GVWRs) of under 14,000 pounds and $40,000 for all other vehicles.

WHO QUALIFIES

Businesses and tax-exempt organizations qualify for the credit.

There is no limit on the number of credits your business can claim. For businesses, the credits are nonrefundable, so you can't get back more on the credit than you owe in taxes. A 45W credit can be carried over as a general business credit.

VEHICLES THAT QUALIFY

To qualify, a vehicle must be subject to a depreciation allowance, with an exception for vehicles placed in service by a tax-exempt organization and not subject to a lease.

The vehicle must also:

- Be made by a qualified manufacturer as defined in IRC 30D(d)(1)(C). See our index of qualified manufacturers
- Be for use in your business, not for resale
- Be for use primarily in the United States
- Not have been allowed a credit under sections 30D or 45W

In addition, the vehicle must either be:

- Treated as a motor vehicle for purposes of title II of the Clean Air Act and manufactured primarily for use on public roads (not including a vehicle operated exclusively on a rail or rails); or
- Mobile machinery as defined in IRC 4053(8) (including vehicles that are not designed to perform a function of transporting a load over a public highway)
- The vehicle or machinery must also either be:
- A plug-in electric vehicle that draws significant propulsion from an electric motor with a battery capacity of at least:
    - » 7 kilowatt hours if the gross vehicle weight rating (GVWR) is under 14,000 pounds
    - » 15 kilowatt hours if the GVWR is 14,000 pounds or more; or
- A fuel cell motor vehicle that satisfies the requirements of IRC 30B(b)(3)(A) and (B).

HOW TO CLAIM THE CREDIT

The IRS is finalizing a form for tax payers to claim the credit. Visit the IRS website for updates.

You will need to provide your vehicle's VIN along with the amount of the credit.

The depreciable basis of the vehicle is reduced by the amount of the commercial clean vehicle credit you receive.

Source:irs.gov

In Home Aide Service

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Monica McKenney

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OPTING FOR S CORPORATION STATUS

Opting for S Corporation status as a Business-of-One offers a strategic tax advantage over a sole proprietorship. The allure of tax savings is substantial, but maintaining compliance with the IRS while optimizing these benefits requires a careful approach to how you compensate yourself within the S Corp structure.

In the realm of S Corporations, a crucial principle is the necessity of establishing payroll for both actual employees and shareholders who function in an employee-like capacity. This payroll structure ensures adherence to IRS guidelines. Once salaries have been disbursed, any remaining profit within the business can be distributed among the shareholders.

However, a critical consideration for an S Corp owner is the concept of a "reasonable salary" as defined by the IRS. This implies that the owner must receive a paycheck that aligns with industry standards for similar services. Striking this balance is pivotal to staying in compliance with tax regulations. Beyond the salary, any surplus profit can be received as distributions, presenting an opportunity for a more tax-efficient income stream.

In essence, navigating the nuances of S Corporation compensation involves a delicate interplay between reasonable salaries and distributions, offering Business-of-One owners a pathway to capitalize on tax advantages while maintaining a sound financial footing within the bounds of IRS regulations.

ARE YOU MISSING MONEY?!

MissingMoney.com is the only website endorsed by States and Provinces working together to reunite you with your lost funds. If you have lived in several states do a check in ALL STATES.

Visit the site today: **missingmoney.com**

Please refrain from visiting any websites that request a fee. If you encounter such a request, you are likely not on the correct website. Please exercise caution and ensure you are on the official or trusted website for your intended purpose.

WHAT IS UNCLAIMED PROPERTY?

MissingMoney is a FREE and SECURE website endorsed by the National Association of Unclaimed Property Administrators (NAUPA) to search for and claim financial assets that have become inactive and turned over to state unclaimed property programs as required by law for safekeeping.

Types of property being safeguarded include uncashed checks from corporations, financial institutions, banks, insurance companies and municipalities, inactive stock and brokerage accounts, unclaimed safe deposit boxes, and more. There are millions of properties totaling billions of dollars available to search and claim on MissingMoney.com.

States and Provinces, through their partnership with the leading, trusted authority in unclaimed property—the National Association of Unclaimed Property Administrators (NAUPA)—provide this free, safe, and secure site to the public. New properties are added daily, so start your search now and check back often!

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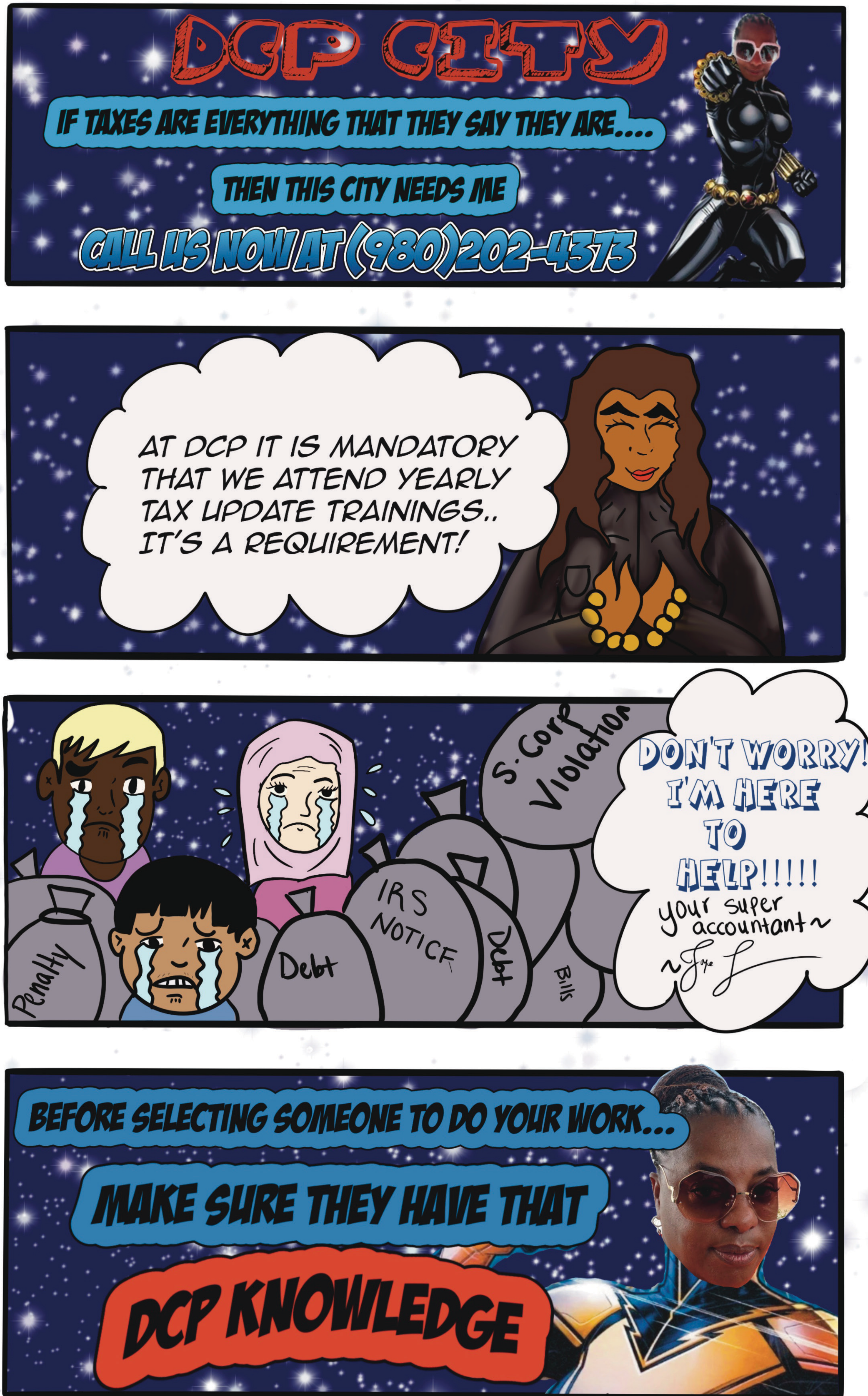
If you find property that you believe is yours, initiate a claim today. Remember to search for previous names if you have had multiple names, common misspellings of your current and any former names, and the names of relatives if you may be the rightful heir to their property.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7 WAYS ALEXA AND AMAZON ECHO POSE A PRIVACY RISK

W hether you were not aware or forgot the details when presented with the privacy risks of using Alexa, it is something important every Echo owner should consider. Here are seven privacy invasions possible when you own an Amazon Echo device.

1. It is Always Listening

One of the most common knocks against the Echo is that it is “always listening.” While this is true, most people do not understand what exactly Alexa is listening for. Unless you have the Mute toggle enabled, your Echo is always listening for the wake word, Alexa. Your device locally processes the audio it hears and deletes the running buffer of audio a few seconds after it picks it up.

Amazon cannot hear everything you are saying — that information never leaves your device. However, once the Echo hears Alexa, it sends your following command to Amazon’s servers, processes it, and then your Echo plays the answer.

2. New Echo Devices Have a Camera

If having an always-on microphone was not enough, how about adding a camera too? Even if you’re comfortable with the potential privacy invasions of a microphone, a camera is on an entirely different level. The Echo Look, one of Amazon’s newest devices, has a camera designed to take regular pictures of you and help you get fashion advice. While the Look is solely for fashion now, a software update could add more functionality to help Amazon identify even more data about you. Algorithms could analyze a picture and notice that you are almost out of paper towels in your kitchen, then recommend you buy some on Amazon. In 2012, Target was able to identify that a young woman was pregnant and sent her coupons for baby-related items in the mail. It did so by tracking her purchasing habits — her father did not even know she was pregnant.

3. The Drop-In Feature

The Look is not the only camera-equipped Echo device. Amazon’s Echo Show and the smaller Echo Spot both have screens and cameras. These allow you to do all sorts of tasks that the standard Echo devices can’t do, including video chats. They also include a feature called Drop-In that’s a privacy invasion waiting to happen. Basically, Drop-In allows you to video call a trusted friend without them confirming the call. Normally, when you initiate a call, the other party must accept. But if you enable Drop-In for a certain user, calling them will allow you to start seeing video from their Echo after a few seconds of a “frosted glass” view. Amazon says this feature is designed for parents checking in on their babies or to make chatting with elderly parents simple. But enabling this, even with a family member you trust, can still be a privacy concern.

4. Your Discussions Are Recorded

We discussed Alexa's listening habits earlier, but there is another key factor. When you issue a command to your Echo, Amazon keeps a recording of what you said and Alexa's response tied to your account. You can actually go back and listen to these (or delete them) later. While you can delete them anytime, obviously having a record of what you have said to your Echo could violate your privacy at some point. Anyone with your phone could read through what you have recently said and gain insight about what is troubling you or what you are interested in. And of course, it is all stored on Amazon's servers for analysis.

5. They are Susceptible to Hacking

Hacking could let malicious folks take over your smart device and use its microphone and camera for fraudulent purposes. Wired explained how one security researcher could turn an Echo into a wiretap just by getting his hands on it.

6. It Introduces New Forms of Advertising

The Echo introduces a unique landscape for ads that does not work on other platforms. Many services with ads feature them as the first results when you search, with the actual content underneath them — Google and Amazon both do this. Most people know how to spot ads and simply scroll past them. But on the Echo, where you shop by voice, this doesn't really work. For instance, if you say "Alexa, I want to order paper towels," your Echo could say "Okay, how about Bounty?" If you like a specific brand, you might ask to order those instead. But people who don't care will likely order the first brand Alexa mentions.

7. You are Helping Amazon Sell More to You

Many of the Echo's privacy problems come down to one simple fact: Amazon designs its devices to make it easier for you to spend more money on Amazon. Of course, most Amazon devices are still solid. But there's no getting around their true purpose:

· When you buy a Kindle, you'll start buying digital books from Amazon.

· The failed Fire Phone was built around a feature called Firefly that let you scan objects and buy them on Amazon.

· Dash Buttons and the Dash Wand let you order more products from Amazon with extreme ease.

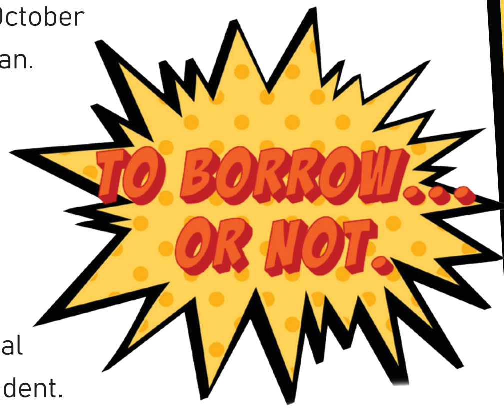
· Amazon Prime lets you pay Amazon so that, among other benefits, buying from Amazon is faster.

· With an Echo in your home, Amazon hopes you'll use the convenience to order groceries from it (via voice) instead of buying them in a store.

RISKS OF A LOAN FROM YOUR RETIREMENT PLAN

Loans from 401(k)s are generally tax-free if the amount taken out does not exceed the smaller of $50,000 or 50% of the retirement account balance. The maximum loan amount is equal to the lesser of $100,000 or 100% of the balance for people in federal disaster areas. The maximum repayment period for plan loans is generally five years. Loans used to buy or construct a main home can be paid back over a longer time. In general, repayments must be made quarterly or more often (generally they are a payroll deduction for the employee). If one falls behind on repayments and fails to pay by the end of the following quarter, then any unpaid loan amount, plus interest, is treated as a deemed distribution.

If the loan is not repaid in full prior to leaving employment and arrangements are not made to repay the loan after employment, the unpaid amount is treated as a distribution subject to the 10% penalty (if pre-age 59 ½) and ordinary tax in all situations. However, under the TCJA, the repayment period after leaving employment has been extended to the due date of your income tax return plus extensions. For example, if you leave employment in July and leave behind an unpaid loan from your 401(k) or 403(b), you now have until October 15 of the following year to repay the loan.



IRAs and retirement plans can be utilized to pay big medical expenses. But the exception to the 10% penalty for pre-age-59½ payouts is narrow. The money must be used for medical costs of the taxpayer, spouse or dependent. The funds must cover costs paid in the year of the withdrawal. And only the amount of medical expenses that exceeds 7.5% of adjusted gross income counts. In a recent case, a man who was laid off from work took a distribution from his 401(k) before age 59½. He claimed he used a portion of the money for his son's surgery. He submitted a bill, but he could not prove he paid it.

If you have taken a loan from your employment-based program (loans are not eligible through an IRA) and are planning on changing jobs, contact us for information on how to avoid inadvertent tax consequences.

UNDERSTANDING A FEDERAL TAX LIEN

A federal tax lien is the government's legal claim against your property when you neglect or fail to pay a tax debt. The lien protects the government's interest in all your property, including real estate, personal property and financial assets. A federal tax lien exists after:

The IRS:

- Puts your balance due on the books (assesses your liability);
- Sends you a bill that explains how much you owe (Notice and Demand for Payment); and

You:

- Neglect or refuse to fully pay the debt in time.

The IRS files a public document, the **Notice of Federal Tax Lien**, to alert creditors that the government has a legal right to your property. For more information, refer to Publication 594, The IRS Collection Process.

- How to Get Rid of a Lien
- How a Lien Affects You
- Avoid a Lien
- Lien vs. Levy
- Help Resources

HOW TO GET RID OF A LIEN

Paying your tax debt - in full - is the best way to get rid of a federal tax lien. The IRS releases your lien within 30 days after you have paid your tax debt.

When conditions are in the best interest of both the government and the taxpayer, other options for reducing the impact of a lien exist.

DISCHARGE OF PROPERTY

A "discharge" removes the lien from specific property. There are several Internal Revenue Code (IRC) provisions that determine eligibility. For more information, refer to Publication 783, Instructions on How to Apply for Certificate of Discharge From Federal Tax Lien and the video Selling or Refinancing when there is an IRS Lien.

SUBORDINATION

"Subordination" does not remove the lien, but allows other creditors to move ahead of the IRS, which may make it easier to get a loan or mortgage. To determine eligibility, refer to Publication 784, Instructions on How to Apply for a Certificate of Subordination of Federal Tax Lien and the video Selling or Refinancing when there is an IRS Lien.

WITHDRAWAL

A "withdrawal" removes the public Notice of Federal Tax Lien and assures that the IRS is not competing with other creditors for your property; however, you are still liable for the amount due. For eligibility, refer to Form 12277, Application for the Withdrawal of Filed Form 668(Y), Notice of Federal Tax Lien (Internal Revenue Code Section 6323(j)) and the video Lien Notice Withdrawal.

Two additional Withdrawal options resulted from the Commissioner's 2011 Fresh Start initiative.

One option may allow withdrawal of your Notice of Federal Tax Lien after the lien's release. General eligibility includes:

Your tax liability has been satisfied and your lien has been released; and also:

- You are in compliance for the past three years in filing - all individual returns, business returns, and information returns.
- You are current on your estimated tax payments and federal tax deposits, as applicable.

The other option may allow withdrawal of your Notice of Federal Tax Lien if you have entered in or converted your regular installment agreement to a Direct Debit installment agreement. General eligibility includes:

- You are a qualifying taxpayer (i.e. individuals, businesses with income tax liability only, and out of business entities with any type of tax debt)
- You owe $25,000 or less (If you owe more than $25,000, you may pay down the balance to $25,000 prior to requesting withdrawal of the Notice of Federal Tax Lien)
- Your Direct Debit Installment Agreement must full pay the amount you owe within 60 months or before the Collection Statute expires, whichever is earlier
- You are in full compliance with other filing and payment requirements.
- You have made three consecutive direct debit payments.
- You can't have defaulted on your current, or any previous, Direct Debit Installment agreement.

HOW A LIEN AFFECTS YOU

- **Assets** — A lien attaches to all of your assets (such as property, securities, vehicles) and to future assets acquired during the duration of the lien.
- **Credit** — Once the IRS files a Notice of Federal Tax Lien, it may limit your ability to get credit.
- **Business** — The lien attaches to all business property and to all rights to business property, including accounts receivable.
- **Bankruptcy** — If you file for bankruptcy, your tax debt, lien, and Notice of Federal Tax Lien may continue after the bankruptcy.

AVOID A LIEN

You can avoid a federal tax lien by simply filing and paying all your taxes in full and on time. If you can't file or pay on time, don't ignore the letters or correspondence you get from the IRS. If you can't pay the full amount you owe, payment options are available to help you settle your tax debt over time.

LIEN VS. LEVY

A lien is not a levy. A lien secures the government's interest in your property when you don't pay your tax debt. A levy actually takes the property to pay the tax debt. If you don't pay or make arrangements to settle your tax debt, the IRS can levy, seize and sell any type of real or personal property that you own or have an interest in.

HELP RESOURCES

Centralized Lien Operation — To resolve basic and routine lien issues: verify a lien, request lien payoff amount, or release a lien, call 800-913-6050 or e-fax 855-390-3530

Collection Advisory Group — For all complex lien issues, including discharge, subordination, subrogation or withdrawal; find contact information for your local advisory office in Publication 4235, Collection Advisory Group Addresses

Office of Appeals — Under certain circumstances you may be able to appeal the filing of a Notice of Federal Tax Lien. For more information, see Publication 1660, Collection Appeal Rights PDF.

Taxpayer Advocate Service — For assistance and guidance from an independent organization within IRS, call 877-777-4778

Centralized Insolvency Operation — If you are questioning whether your bankruptcy has changed your tax debt, call 800-973-0424

CONTACT THE IRS

- Individuals (Self-Employed)
  800-829-8374
- Individuals (Other)
  800-829-0922
- Businesses
  800-829-0922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Choosing the Correct Filing Status

A Timely Tip
From
Ennis T. Pea

Filing status is important because an individual's tax bracket (and, therefore, the amount they must pay) is determined by marital status and (modified) adjusted gross income.

For federal income tax purposes, a taxpayer falls into one of five categories: single, married filing jointly, married filing separately, head of household, and qualifying surviving spouse (previously known as qualifying widow or widower).

Single Filer: A single filer is a taxpayer that is unmarried, divorced, a registered domestic partner, or legally separated according to state law as of the last day of the tax year.

For Tax Year 2022 and 2023- Single

Federal Income Tax Rate	Income Range for Taxpayer for 2022	Income Range for Single Taxpayer for 2023
10%	$0-$10,275	$0-$11,000
12%	$10,276-$41,775	$11,001-$44,725
22%	$41,776-$89,075	$44,726-95,375
24%	$89,076-$170,050	$95,376-$182,100
32%	$170,051-$215,950	$182,101- $231,250
35%	$215,951-$539,900	$231,251 - $578,125
37%	Over $539,900	Over $578,125
Standard Deduction	$12,950	$13,850

Married Person Filing Jointly or Surviving Spouse: An individual that is married by the end of the tax year can file tax returns jointly with their spouse. When filing under married filing jointly status, couples can record their respective incomes, exemptions, and deductions on the same tax return. In the year of death, the surviving spouse would also file a joint return with their deceased spouse.

For Tax Year 2022 and 2023 - Married Filing Joint

Federal Income Tax Rate	Income Range for Taxpayer who is Married Filing Jointly for 2022	Income Range for Taxpayers Who Are Married Filing Jointly in 2023
10%	$0-$20,550	$0-$22,000
12%	$20,551-$83,550	$22,001-$89,450
22%	$83,551-$178,150	$89,451-$190,750
24%	$178,151-$340,100	$190,751-$364,200
32%	$340,101-$431,900	$364,201-$462,500
35%	$431,901-$647,850	$462,500-$693,750
37%	Over $647,850	Over $693,751
Standard Deduction	$25,900	$27,700

Head of Household: A head of household is a single or unmarried taxpayer who pays at least 50% of the costs of supporting their household and lives with other qualifying family members for whom they provide support for more than half of the year.

This means that the taxpayer must have paid more than half of the total household bills, including rent or mortgage, utility bills, insurance, property taxes, groceries, repairs, and other common household expenses. Some examples of qualifying family members include a dependent child, grandchild, sibling, grandparent, or anyone else you can claim as an exemption.

For Tax Year 2022 and 2023 - Head of Household

Federal Income Tax Rate	Income Range for Taxpayer for 2022	Income Range for Head of Household Taxpayer for 2023
10%	$0-$14,650	$0-$15,700
12%	$14,651-$55,900	$15,701-$59,850
22%	$55,901-$89,050	$59,851-$95,350
24%	$89,051-$170,050	$95,351-$182,100
32%	$170,051-$215,950	$182,101-$231,250
35%	$215,951-$539,900	$231,251-$578,100
37%	Over $539,900	Over $578,101
Standard Deduction	$19,400	$20,800

Qualifying Surviving Spouse: During the year in which a spouse dies, the surviving spouse can typically use the joint filing status. For the two tax years following the year of a spouse's death, the surviving spouse can file as a qualifying surviving spouse with a qualifying dependent. Otherwise their filing status would be Single or Head of Household (with a qualifying dependent).

TAX RATE CHANGES FOR 2023

- The standard deduction for married couples filing jointly for tax year 2023 rises to $27,700 up $1,800 from the prior year. For single taxpayers and married individuals filing separately, the standard deduction rises to $13,850 for 2023, up $900, and for heads of households, the standard deduction will be $20,800 for tax year 2023, up $1,400 from the amount for tax year 2022.
- Marginal Rates: For tax year 2023, the top tax rate remains 37% for individual single taxpayers with incomes greater than $578,125 ($693,750 for married couples filing jointly).

The other rates are:

» 35% for incomes over $231,250 ($462,500 for married couples filing jointly);

» 32% for incomes over $182,100 ($364,200 for married couples filing jointly);

» 24% for incomes over $95,375 ($190,750 for married couples filing jointly);

» 22% for incomes over $44,725 ($89,450 for married couples filing jointly);

» 12% for incomes over $11,000 ($22,000 for married couples filing jointly).

The lowest rate is 10% for incomes of single individuals with incomes of $11,000 or less ($22,000 for married couples filing jointly).

- The Alternative Minimum Tax exemption amount for tax year 2023 is $81,300 and begins to phase out at $578,150 ($126,500 for married couples filing jointly for whom the exemption begins to phase out at $1,156,300). The 2022 exemption amount was $75,900 and began to phase out at $539,900 ($118,100 for married couples filing jointly for whom the exemption began to phase out at $1,079,800).

STATE PAYMENTS

The IRS provided details clarifying the federal tax status involving special payments made by 21 states in 2022. During a review, the IRS has determined that taxpayers in many states will not need to report these payments on their 2022 tax returns.

IR-2023-23, Feb. 10, 2023

WASHINGTON — The Internal Revenue Service provided details today clarifying the federal tax status involving special payments made by 21 states in 2022.

The IRS has determined that in the interest of sound tax administration and other factors, taxpayers in many states will not need to report these payments on their 2022 tax returns.

During a review, the IRS determined it will not challenge the taxability of payments related to general welfare and disaster relief. This means that people in the following states do not need to report these state payments on their 2022 tax return: California, Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Maine, New Jersey, New Mexico, New York, Oregon, Pennsylvania and Rhode Island. Alaska is in this group as well, but please see below for more nuanced information.

In addition, many people in Georgia, Massachusetts, South Carolina and Virginia also will not include state payments in income for federal tax purposes if they meet certain requirements. For these individuals, state payments will not be included for federal tax purposes if the payment is a refund of state taxes paid and either the recipient claimed the standard deduction or itemized their deductions but did not receive a tax benefit.

The IRS appreciates the patience of taxpayers, tax professionals, software companies and state tax administrators as the IRS and Treasury worked to resolve this unique and complex situation.

The IRS is aware of questions involving special tax refunds or payments made by certain states related to the pandemic and its associated consequences in 2022. A variety of state programs distributed these payments in 2022 and the rules surrounding their treatment for federal income tax purposes are complex. While in general payments made by states are includable in income for federal tax purposes, there are exceptions that would apply to many of the payments made by states in 2022.

To assist taxpayers who have received these payments file their returns in a timely fashion, the IRS is providing the additional information below.

REFUND OF STATE TAXES PAID

If the payment is a refund of state taxes paid and either the recipient claimed the standard deduction or itemized their deductions but did not receive a tax benefit (for example, because the $10,000 tax deduction limit applied) the payment is not included in income for federal tax purposes.

Payments from the following states in 2022 fall in this category and will be excluded from income for federal tax purposes unless the recipient received a tax benefit in the year the taxes were deducted.

- Georgia
- Massachusetts
- South Carolina
- Virginia

GENERAL WELFARE AND DISASTER RELIEF PAYMENTS

If a payment is made for the promotion of the general welfare or as a disaster relief payment, for example related to the outgoing pandemic, it may be excludable from income for federal tax purposes under the General Welfare Doctrine or as a Qualified Disaster Relief Payment. Determining whether payments qualify for these exceptions is a complex fact intensive inquiry that depends on a number of considerations.

The IRS has reviewed the types of payments made by various states in 2022 that may fall in these categories and given the complicated fact-specific nature of determining the treatment of these payments for federal tax purposes balanced against the need to provide certainty and clarity for individuals who are now attempting to file their federal income tax returns, the IRS has determined that in the best interest of sound tax administration and given the fact that the pandemic emergency declaration is ending in May, 2023 making this an issue only for the 2022 tax year, if a taxpayer does not include the amount of one of these payments in its 2022 income for federal income tax purposes, the IRS will not challenge the treatment of the 2022 payment as excludable for income on an original or amended return.

Payments from the following states fall in this category and the IRS will not challenge the treatment of these payments as excludable for federal income tax purposes in 2022.

- Alaska
- California
- Colorado
- Connecticut
- Delaware
- Florida
- Hawaii
- Idaho
- Illinois
- Indiana
- Maine
- New Jersey
- New Mexico
- New York
- Oregon
- Pennsylvania
- Rhode Island

For a list of the specific payments to which this applies, visit IRS website for chart – . https://www.irs.gov/newsroom/state-payments

OTHER PAYMENTS

Other payments that may have been made by states are generally includable in income for federal income tax purposes. This includes the annual payment of Alaska's Permanent Fund Dividend and any payments from states provided as compensation to workers.

FREQUENTLY ASKED QUESTIONS

ABOUT ENERGY EFFICIENT HOME IMPROVEMENTS AND RESIDENTIAL CLEAN ENERGY PROPERTY CREDITS - QUALIFYING RESIDENCE

Q1. - What type of residence qualifies for these credits? For example, are the credits available for improvements made to a second home or to a home rented by the taxpayer? (added December 22, 2022)

A1. - The credits are available only for certain improvements made to second homes, and the credits are never available when the improvements are made to homes not used as a residence by the taxpayer. For example, landlords can never use these credits for improvements made to any homes they rent out but do not use as a residence themselves. However, if a taxpayer is renting a home as their principal residence and makes eligible improvements, a tax credit may be available to such tenant.

- For the Energy Efficient Home Improvement Credit, the following requirements apply:
  - exterior doors, windows and skylights, insulation materials or systems, and air sealing materials or systems: the home must be located in the United States and must be owned and used by the taxpayer as the taxpayer's principal residence [1];
  - central air conditioners; natural gas, propane, or oil water heaters; natural gas, propane or oil furnaces or hot water boilers; electric or natural gas heat pumps; electric or natural gas heat pump water heaters; biomass stoves or biomass boilers; and improvements to panelboards, sub-panelboards, branch circuits, or feeders: the home must be located in the United States and used as a residence by the taxpayer (includes renters); and
  - home energy audits: the home must be located in the United States and owned or used by the taxpayer as the taxpayer's principal residence (includes renters).
- For the Residential Clean Energy Property Credit, the following requirements apply:
  - solar water heating property expenditures, solar electric property expenditure, small wind energy property expenditures, geothermal heat pump property expenditures, and battery storage technology expenditures: the home must be located in the United States and used as a residence by the taxpayer (includes renters); and
  - fuel cell property expenditures: the home must be located in the United States and used as a principal residence by the taxpayer (includes renters).

ENERGY EFFICIENT HOME IMPROVEMENT CREDIT:

Q2. - Can a taxpayer claim the credits for expenditures incurred for an existing home? What about a newly constructed home? (added December 22, 2022)

A2. - The rules vary by credit.

- Under the Energy Efficient Home Improvement Credit: a taxpayer can claim the credit only for qualifying expenditures incurred for an existing home or for an addition to or renovation of an existing home, and not for a newly constructed home.
- Under the Residential Clean Energy Property Credit: a taxpayer can claim the credit for qualifying expenditures incurred for either an existing home or a newly constructed home.

Q3. - May a taxpayer claim a credit if the qualified property is also used for business purposes, such as in a dwelling unit in which the taxpayer also conducts a business? (added December 22, 2022)

A3. - For both credits, if a taxpayer uses property solely for business purposes, the property will not qualify for the credit. A taxpayer who qualifies for the credits and whose use of the qualified property for business purposes is not more than 20 percent may claim the full credit. For a taxpayer who otherwise qualifies for the credits, but whose use of the qualified property for business purposes exceeds 20 percent, the taxpayer must calculate the amount of credit by including only that portion of the expenditures for the property that are properly allocable to use for nonbusiness purposes.

HOME ENERGY TAX CREDITS

If you make energy improvements to your home, tax credits are available for a portion of qualifying expenses. The credit amounts and types of qualifying expenses were expanded by the Inflation Reduction Act of 2022.

We'll help you compare the credits and decide whether they apply to expenses you've already paid or will apply to improvements you're planning for the future.

WHO CAN CLAIM THE CREDITS

You can claim either the Energy Efficient Home Improvement Credit or the Residential Energy Clean Property Credit for the year when you make qualifying improvements.

Homeowners who improve their primary residence will find the most opportunities to claim a credit for qualifying expenses. Renters may also be able to claim credits, as well as owners of second homes used as residences.

The credits are never available for improvements made to homes that you don't use as a residence.

ENERGY EFFICIENT HOME IMPROVEMENT CREDIT

- These expenses may qualify if they meet requirements detailed on energy.gov:
- Exterior doors, windows, skylights and insulation materials
- Central air conditioners, water heaters, furnaces, boilers and heat pumps
- Biomass stoves and boilers
- Home energy audits

The amount of the credit you can take is a percentage of the total improvement expenses in the year of installation:

- 2022: 30%, up to a lifetime maximum of $500
- 2023 through 2032: 30%, up to a maximum of $1,200 (biomass stoves and boilers have a separate annual credit limit of $2,000), no lifetime limit

RESIDENTIAL CLEAN ENERGY CREDIT

These expenses may qualify if they meet requirements detailed on energy.gov:

- Solar, wind and geothermal power generation
- Solar water heaters
- Fuel cells
- Battery storage (beginning in 2023)

The amount of the credit you can take is a percentage of the total improvement expenses in the year of installation:

- 2022 to 2032: 30%, no annual maximum or lifetime limit
- 2033: 26%, no annual maximum or lifetime limit
- 2034: 22%, no annual maximum or lifetime limit

CLEAN VEHICLE CREDITS

The IRS has released proposed regulations and other guidance on the clean vehicle tax credit enacted as part of the Inflation Reduction Act that will allow consumers to claim the rebate at the time of purchase.

In proposed regs, unveiled October 6, starting January 2024 qualified taxpayers will be able to transfer the section 30D and section 25E tax credits, worth up to $7,000 for the purchase of a new electric vehicle and $4,500 for a used electric vehicle, respectively, directly to the car dealer at the point of sale.

“For the first time, the Inflation Reduction Act allows consumers to reduce the up-front cost of a clean vehicle, expanding consumer choices and helping car dealers expand their businesses. The IRS has focused on streamlining this process for car dealers as part of its commitment to improving service and helping taxpayers claim the credits they are eligible for,” Laurel Blatchford, chief implementation officer for the Inflation Reduction Act, said in a statement.

The IRS says in Rev. Proc. 2023-33, that consumers looking to take advantage of the credit must attest to being under the eligible income threshold, and car dealers must register under a new website, the “IRS Energy Credits Online Portal,” to take part in the program.

The proposed rules would treat the transfer as being repaid by the consumer to the dealer as part of the purchase price of the vehicle, therefore not affecting the dealer’s tax liability.

IRS UPDATES CLEAN VEHICLE CREDIT GUIDANCE

As electric cars become more common on American roads, fully electric autos (termed “clean vehicles” by the Internal Revenue Service) are now showing up in the used car markets.

Owners of new electric vehicles are already able to claim the Clean Vehicle Credit for 2023, but starting in 2024, a credit will also be offered to qualified buyers of a used clean vehicle.

To keep up with demand, the IRS is proposing new regulations and is updating the language in its guidance for the Clean Vehicle Credit and how the credit can be transferred from the original buyer of the car to an eligible dealer.

The proposed regulations, new guidance and language will apply to electric cars put in service after Dec. 31 of this year.

LEGISLATION SET ELECTRIC WHEELS IN MOTION.

The changes in regulations, guidance, and other language were put in place by the Inflation Reduction Act, covering new and used electric vehicles.

The new guidance, set forth in Revenue Procedure 2023-33, aims to clarify how taxpayers can transfer clean vehicle credits to an eligible dealer, enabling that dealer to receive advance payments of the credit for an EV, for example, that was taken as a trade-in.

Among other things, the revenue procedure sets out how a dealer would register with the IRS in order to be eligible to receive transfers of the credit from individual taxpayers. Additional details include how and when dealers have to submit seller reports.

The IRS has also updated its list of frequently asked questions (FAQs) for the Clean Vehicle Credit, tweaking the topics of:

- Eligibility Rules for the new Clean Vehicle Credit
- Income and Price Limitations for the New Clean Vehicle Credit
- When the New Requirements Apply
- Eligibility Rules for Previously Owned Clean Vehicles
- Claiming the Previously Owned Clean Vehicles Credit
- Qualified Commercial Clean Vehicles Credit
- Transfer of the Clean Vehicles Credit and Previously Owned Clean Vehicles Credi;
- Registering a Dealer for Reporting and Credit Transfers
- Seller Report Information for Buyers of Tax Credits in 2024

Reference:drake.com

CREDITS FOR NEW CLEAN VEHICLES PURCHASED IN 2023 OR AFTER

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 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.

CREDIT AMOUNT

The amount of the credit depends on when you placed the vehicle in service (took delivery), regardless of purchase date.

For vehicles placed in service January 1 to April 17, 2023:

- $2,500 base amount
- Plus $417 for a vehicle with at least 7 kilowatt hours of battery capacity
- Plus $417 for each kilowatt hour of battery capacity beyond 5 kilowatt hours
- Up to $7,500 total

In general, the minimum credit will be $3,751 ($2,500 + 3 times $417), the credit amount for a vehicle with the minimum 7 kilowatt hours of battery capacity.

FOR VEHICLES PLACED IN SERVICE APRIL 18, 2023 AND AFTER:

Vehicles will have to meet all of the same criteria listed above, plus meet new critical mineral and battery component requirements for a credit up to:

- $3,750 if the vehicle meets the critical minerals requirement only
- $3,750 if the vehicle meets the battery components requirement only
- $7,500 if the vehicle meets both

A vehicle that doesn't meet either requirement will not be eligible for a credit.

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.
  - » FCVs do not need to be made by a qualified manufacturer to be eligible. See Rev. Proc. 2022-42 for more detailed guidance.
- Undergo final assembly in North America
- Meet critical mineral and battery component requirements (as of April 18, 2023).

The sale qualifies only if:

- You buy the vehicle new
- The seller reports required information to you at the time of sale and to the IRS.
  - » Sellers are required to report your name and taxpayer identification number to the IRS for you to be eligible to claim the credit.

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 manufacturer installed 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.


DCP IS ACCEPTING NEW CLIENTS
WHAT DO YOU NEED TO HAVE?
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THE WILLINGNESS TO HAVE FINANCIAL STATEMENTS (REGULATORY REQUIREMENTS)
THE WILLINGNESS TO INVEST INTO YOU & YOUR BUSINESS
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WHEN SELLING A HOME

When selling a home, homeowners should think about:

OWNERSHIP AND USE

To claim the exclusion, the taxpayer must meet ownership and use tests. During the five-year period ending on the date of the sale, the homeowner must have owned the home and lived in it as their main home for at least two years.

GAINS

Taxpayers who sell their main home for a capital gain may be able to exclude up to $250,000 of that gain from their income. Taxpayers who file a joint return with their spouse may be able to exclude up to $500,000. Homeowners excluding all the gain do not need to report the sale on their tax return unless a Form 1099-S was issued.

LOSSES

Some taxpayers experience a loss when their main home sells for less than what the basis of asset was paid for it. This loss is not deductible.

MULTIPLE HOMES

Taxpayers who own more than one home can exclude the gain only on the sale of their main home. They must pay taxes on the gain from selling any other home.

REPORTED SALE

Taxpayers who don't qualify to exclude all of the taxable gain from their income must report the gain from the sale of their home when they file their tax return. Anyone who chooses not to claim the exclusion must report the taxable gain on their tax return. Taxpayers who receive Form 1099-S, Proceeds from Real Estate Transactions, must report the sale on their tax return even if they have no taxable gain.

MORTGAGE DEBT

Generally, taxpayers must report forgiven or canceled debt as income on their tax return. This includes people who had a mortgage workout, foreclosure or other canceled mortgage debt on their home. Taxpayers who had debt discharged, in whole or in part on a qualified principal residence can't exclude that debt from income unless it was discharged before January 1, 2026, or a written agreement for the debt forgiveness was in place before January 1, 2026.

POSSIBLE EXCEPTIONS

There are exceptions to these rules for some individuals, including persons with a disability, certain members of the military or intelligence community and Peace Corps workers.

HOW DO YOU DETERMINE BASIS OF ASSETS

Basis is generally the amount of your capital investment in property for tax purposes. Use your basis to figure depreciation, amortization, depletion, casualty losses, and any gain or loss on the sale, exchange, or other disposition of the property.

In most situations, the basis of an asset is its cost to you. The cost is the amount you pay for it in cash, debt obligations, and other property or services. Cost includes sales tax and other expenses connected with the purchase. Your basis in some assets isn't determined by the cost to you. If you acquire property other than through a purchase (such as a gift or an inheritance), refer to Publication 551, Basis of Assets for more information. If you acquired your property from an individual who died in 2010, special rules may apply to your calculation of basis. Review Publication 4895, Tax Treatment of Property Acquired From a Decedent Dying in 2010 for more information.

If you buy stocks or bonds, your basis is the purchase price plus any additional costs such as commissions and recording or transfer fees. If you have stocks or bonds that you didn't purchase, you may have to determine your basis by the fair market value of the stocks and bonds on the date of transfer or the basis of the previous owner. Refer to Publication 550, Investment Income and Expenses for more information.

Before figuring gain or loss on a sale, exchange, or other disposition of property, or before figuring allowable depreciation, you must determine your adjusted basis in that property. Certain events that occur during the period of your ownership may increase or decrease your basis, resulting in an "adjusted basis." Increase your basis by items such as the cost of improvements that add to the value of the property and decrease it by items such as allowable depreciation and insurance reimbursements for casualty and theft losses.

SOCIAL SECURITY

WHAT'S YOUR BENEFITS?

You can start receiving your Social Security retirement benefits as early as age 62. However, you are entitled to full benefits when you reach your full retirement age. If you delay taking your benefits from your full retirement age up to age 70, your benefit amount will increase.

If you start receiving benefits early, your benefits are reduced a small percent for each month before your full retirement age.

To find out how much your benefit will be reduced if you begin receiving benefits from age 62 up to your full retirement age, use the chart below and select your year of birth. This example is based on an estimated monthly benefit of $1000 at full retirement age.

FULL RETIREMENT AND AGE 62 BENEFIT BY YEAR OF BIRTH

Year of Birth	Full (normal) Retirement Age	Months between age 62 and full retirement age 2	At Age 62: A $1000 retirement benefit would be reduced to	At Age 62: The retirement benefit is reduced by	At Age 62: A $500 spouse's benefit would be reduced to	At Age 62: The spouse's benefit is reduced by
1943-1954	66	48	$750	25.00%	$350	30.00%
1955	66 and 2 months	50	$741	25.83%	$345	30.83%
1956	66 and 4 months	52	$733	26.67%	$341	31.67%
1957	66 and 6 months	54	$725	27.50%	$337	32.50%
1958	66 and 8 months	56	$716	28.33%	$333	33.33%
1959	66 and 10 months	58	$708	29.17%	$329	34.17%
1960 and later	67	60	$700	30.00%	$325	35.00%

GIFT TAX

The gift tax is a tax on the transfer of property by one individual to another while receiving nothing, or less than full value, in return. The tax applies whether or not the donor intends the transfer to be a gift.

The gift tax applies to the transfer by gift of any type of property. You make a gift if you give property (including money), or the use of or income from property, without expecting to receive something of at least equal value in return. If you sell something at less than its full value or if you make an interest-free or reduced-interest loan, you may be making a gift.

The annual exclusion for gifts increases to $17,000 for calendar year 2023, up from $16,000 for calendar year 2022.

On Nov. 20, 2018, the IRS clarified that individuals taking advantage of the increased gift tax exclusion amount in effect from 2018 to 2025 will not be adversely impacted after 2025 when the exclusion amount is scheduled to drop to pre-2018 levels. The IRS formally made this clarification in proposed regulations released that day. The regulations implement changes made by the Tax Cuts and Jobs Act (TCJA), tax reform legislation enacted in December 2017.

TREASURY, IRS: MAKING LARGE GIFTS NOW WON'T HARM ESTATES AFTER 2025

IR-2018-229, November 20, 2018 — Today the IRS announced that individuals taking advantage of the increased gift and estate tax exclusion amounts in effect from 2018 to 2025 will not be adversely impacted after 2025 when the exclusion amount is scheduled to drop to pre-2018 levels.

EXCLUSIONS

The annual exclusion amount for the year of gift is as follows:

Annual Exclusion per Donee for Year of Gift

Year of Gift	Annual Exclusion per Donee
2011 through 2012	$13,000
2013 through 2017	$14,000
2018 through 2021	$15,000
2022	$16,000
2023	$17,000

SELL REAL PROPERTY OF A DECEASED PERSON'S ESTATE

Before you sell real property of a deceased person's estate, you may need the IRS to remove or discharge that property from an IRS lien. This allows the buyer to take title to the property free and clear of the lien. There are several scenarios that you must consider to determine the correct action:

- If the IRS has filed a Notice of Federal Tax Lien, there will be a notice in the public records.
- If you're selling the deceased person's property and the sale proceeds fully pay the deceased persons liability shown on the lien, contact the IRS Lien Unit for a payoff.
- For the sale of real property of a deceased person, if the proceeds will not fully pay the tax liability, you'll need to apply for a lien discharge with Form 14135, Application for Discharge of Property from Federal Tax Lien and see Publication 4235, Collection Advisory Offices Contact Information.
- If there's a Form 706 or Form 706-NA, United States Estate Tax Return, filing requirement, a federal estate tax lien attaches to all of the deceased person's gross estate. The federal estate tax lien doesn't have to be publicly recorded to be valid, and it's only in effect for estates that are required to file Form 706 or Form 706-NA.
- If the estate you're administering has a Form 706 or Form 706-NA filing requirement, and the property is **administered by an executor or administrator appointed, qualified, and acting within the United States**, apply for a discharge of the estate tax lien by submitting Form 4422, Application for Certificate Discharging Property Subject to Estate Tax Lien.
- If the estate you're administering has a Form 706 or Form 706-NA filing requirement, and the property is **not administered by an executor or administrator appointed, qualified, and acting within the United States**, apply for a transfer certificate for the estate of a nonresident not a citizen of the United States or transfer certificate for estate of a nonresident citizen of the United States.

ESTATE TAXES FOR NONRESIDENTS NOT CITIZENS OF THE UNITED STATES

Whether a decedent was a nonresident of the United States for U.S. estate tax purposes is determined based on the decedent's domicile at the time of death.

Am I required to file a Form 706 or Form 706-NA?

Form 706 must be filed by the executor of the estate of a U.S. citizen or resident whose gross estate plus adjusted taxable gifts is valued at more than the filing threshold for the year in which the decedent died. Form 706 must also be filed by an executor in order to elect to transfer the decedent's Deceased Spousal Unused Exclusion (DSUE) amount to the surviving spouse, regardless of the size of the decedent's gross estate. For information about the filing threshold or electing DSUE, see Instructions for Form 706.

Form 706-NA must be filed by the executor of the estate of a decedent who was neither domiciled in nor a citizen of the United States at death (a "nonresident not a citizen" decedent or NRNC) who, at death, owned certain assets situated in the United States. The executor of an NRNC decedent's estate can generally transfer the decedent's U.S.-situated assets without being required to file a federal estate tax return or pay a federal estate tax if those assets, valued at the time of death, together with the amount of the decedent's adjusted taxable gifts, do not exceed $60,000. If the $60,000 filing threshold is exceeded, a Form 706-NA must be filed for the decedent's estate.

Can a decedent who is a nonresident not a citizen of the United States elect portability of the Deceased Spousal Unused Exclusion (DSUE) amount to benefit a surviving spouse?

The executor of an estate of a nonresident decedent who was not a citizen of the United States at the time of death cannot make a portability election.

What is included in the U.S.-situated Gross Estate?

The property includible in the U.S.-situated gross estate for a nonresident not a citizen includes only assets "situated" in the United States, such as:

- U.S. real estate,
- All tangible property located in the United States,
- Certain intangible property, such as U.S. marketable securities,
- Debt obligations of a U.S. person [or the United States (including a State or any political subdivision)],
- A U.S. trade or business, and bank accounts used in connection with a U.S. trade or business,
- Assets that at the time of transfer or at the date of death were U.S.-situated, and those assets become includible in the gross estate under Internal Revenue Code sections 2035 – 2038.

For purposes of determining the U.S. situated "Gross Estate", the total fair market value of all assests situated in the United States must be included. The value of each asset is based on its fair market value at the time of the decedent's death, which may not be equal to the price paid for it or what its value was when acquired. While the U.S.-situated Gross Estate will likely include non-probate as well as probate property, some property is treated as situated outside of the United States and is thus excludible, such as securities that generate portfolio interest, bank accounts not used in connection with a U.S. trade or business, and certain life insurance proceeds.

What deductions are available to reduce the U.S. Estate Tax for a Nonresident not a Citizen?

For information on deductions, what documentation is required, and what portion is allowable, see the Instructions for Schedule B of Form 706-NA. Deductible expenses generally include:

- Funeral expenses;
- Administration expenses of the estate;
- Claims against the estate;
- Unpaid mortgages and liens; and
- Uncompensated losses that were incurred during settlement of the estate and that arose from theft or from casualties, such as fires, storms, or shipwrecks.

In addition to the above deductions, charitable contributions and the value of certain property passing to a surviving spouse who is a U.S. citizen may be deductible. For information on the marital deduction where the surviving spouse is not a U.S. citizen as of the decedent's date of death, see the Instructions for Schedule B of Form 706-NA.

What happens if the estate sells a United States real property interest?

Generally, if a United States real property interest is sold by the estate of a nonresident not a citizen, the estate must report any gain or loss on the sale. The buyer of the U.S. real property interest is required to withhold 15% of the amount realized on the sale. There are some exceptions to this requirement. The buyer reports the amount withheld on Form 8288, U.S. Withholding Tax Return for Disposition by Foreign Persons of U.S. Real Property Interests, which must be filed by the 20th day after the transfer. To receive credit for this withholding, the estate must file Form 1040-NR, U.S. Nonresident Alien Income Tax Return, and attach Form 8288-A, Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests. See Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Publication 519, U.S. Tax Guide for Aliens, for more information.

What happens if I sell property that I have inherited?

The sale of such property is usually considered the sale of a capital asset and may be subject to capital gains (or loss) treatment. However, IRC §1014 provides that the basis of property acquired from a decedent is its fair market value at the date of death, so there is usually little or no gain to account for if the sale occurs soon after the date of death. (Remember, the rules are different for determining the basis of property received as a lifetime gift). Refer to the FAQs on Gift Taxes for Nonresidents not Citizens of the United States.

Will my same-sex spouse be considered a surviving spouse for purposes of the marital deduction for estate tax purposes?

For federal tax purposes, the terms "spouse," "husband," and "wife" includes individuals of the same sex who were lawfully married under the laws of a state whose laws authorize the marriage of two individuals of the same sex and who remain married.

However, the terms "spouse," "husband and wife," "husband," and "wife" do not include individuals (whether of the opposite sex or the same sex) who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under state law that is not denominated as a marriage under the laws of that state, and the term "marriage" does not include such formal relationships.

IRS ENDS UNANNOUNCED REVENUE OFFICER VISITS TO TAXPAYERS;

MAJOR CHANGE TO END CONFUSION, ENHANCE SAFETY AS PART OF LARGER AGENCY TRANSFORMATION EFFORTS

IR-2023-133, July 24, 2023

WASHINGTON — As part of a larger transformation effort, the Internal Revenue Service today announced a major policy change that will end most unannounced visits to taxpayers by agency revenue officers to reduce public confusion and enhance overall safety measures for taxpayers and employees.

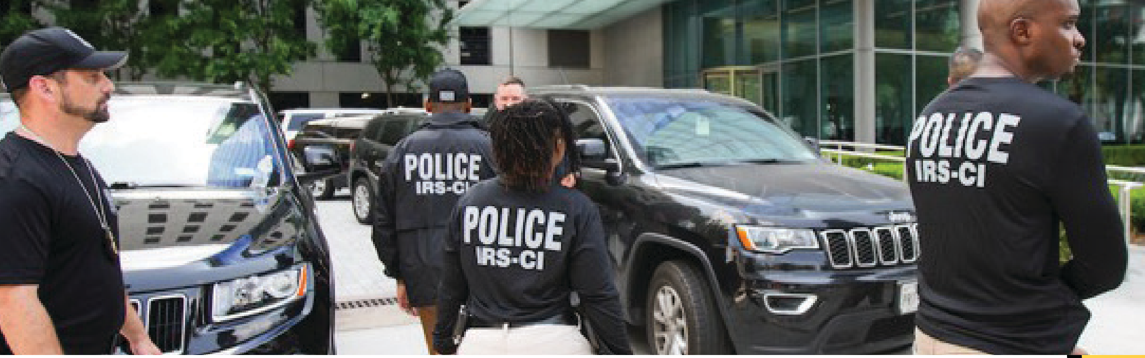
The change reverses a decades-long practice by IRS revenue officers, the unarmed agency employees whose duties include visiting households and businesses to help taxpayers resolve their account balances by collecting unpaid taxes and unfiled tax returns. Effective immediately, unannounced visits will end except in a few unique circumstances and will be replaced with mailed letters to schedule meetings.

IRS Commissioner Danny Werfel announced the change as part of a larger effort to transform IRS operations following passage of the Inflation Reduction Act last year and the creation of the new IRS Strategic Operating Plan in April.

"We are taking a fresh look at how the IRS operates to better serve taxpayers and the nation, and making this change is a common-sense step," Werfel said. "Changing this long-standing procedure will increase confidence in our tax administration work and improve overall safety for taxpayers and IRS employees."

The National Treasury Employees Union (NTEU) supports the policy change.

"NTEU welcomes the IRS decision to halt unannounced visits by IRS Field Collection employees," said Tony Reardon, National President of the National Treasury Employees Union "The safety of IRS employees is of paramount importance and this decision will help protect those whose jobs have only grown more dangerous in recent years because of false, inflammatory rhetoric about the agency and its workforce. We applaud Commissioner Werfel's quick action



after hearing the safety concerns raised by NTEU leaders and IRS Field Collection employees who faced dangerous situations that put their safety at risk. We look forward to working with the IRS on this and other actions to protect the safety of all IRS employees."

Werfel also noted that there have been increased security concerns in recent years on multiple fronts. The growth in scam artists bombarding taxpayers has increased confusion about home visits by IRS revenue officers. Sometimes scam artists appear at the door posing as IRS agents, creating confusion for not just the taxpayers living there but local law-enforcement.

For IRS revenue officers, these unannounced visits to homes and businesses presented risks. Revenue officers routinely faced hazards and uncertainty making unannounced visits to attempt to resolve delinquent tax matters.

"These visits created extra anxiety for taxpayers already wary of potential scam artists," Werfel said. "At the same time, the uncertainty around what IRS employees faced when visiting these homes created stress for them as well. This is the right thing to do and the right time to end it."

The change reflects the ongoing evolution of tax administration work taking place. Werfel noted that funding under the Inflation Reduction Act will add more staffing for compliance work. The IRS continues to focus on key areas, such as high-income taxpayers with tax issues, as efforts continue on transforming the IRS. Improved analytics will also help IRS compliance efforts focus on those with the most serious tax issues.

"We have the tools we need to successfully collect revenue without adding stress with unannounced visits," Werfel said. "The only losers with this change in policy are scammers posing as the IRS."

Taxpayers can expect appointment letters; limited situations where unannounced visits will occur

In place of the unannounced visits, revenue officers will instead make contact with taxpayers through an appointment letter, known as a 725-B, and schedule a follow-up meeting. This will help taxpayers feel more prepared when it is time to meet.

Taxpayers whose cases are assigned to a revenue officer will now be able to schedule face-to-face meetings at a set place and time, with the necessary information and documents in hand to reach resolution of their cases more quickly and eliminate the burden of multiple future meetings.

The IRS noted there will still be extremely limited situations where unannounced visits will occur. These rare instances include service of summonses and subpoenas; and also sensitive enforcement activities involving seizure of assets, especially those at risk of being placed beyond the reach of the government. To put this in perspective, these types of situations typically number less than a few hundred each year – a small fraction compared to the tens of thousands of unannounced visits that typically occurred annually under the old policy.

The IRS will be updating IRS.gov and internal guidance in the months ahead. The agency also reminds taxpayers with unpaid tax bills that there are several options available to help them with their balance due.

These changes come as part of the IRS Strategic Operating Plan, which was unveiled in April. With 10-year funding available from last year's Inflation Reduction Act, the IRS has set in motion an effort to transform the agency to improve taxpayer service, add fairness to tax compliance efforts and modernize technology to better serve taxpayers, tax professionals and the nation.

E-SIGNATURE ABILITY NOW PERMANENT

The IRS quietly made a temporary COVID-19 provision permanent. The temporary relief was set to expire at the end of this month, but on October 17 the IRS updated its Internal Revenue Manual entry on electronic signatures, reflecting that the temporary guidance has now been "fully incorporated" into the manual.

(10-17-2023)

Signature Method	Applicable IRS Form
Selecting a checkbox on an electronic device such as a computer or tablet	Form 8655, Reporting Agent Authorization
Inputting a Personal Identification Number 	Form 720, Quarterly Federal Excise Tax Return Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return Form 941, Employer's Quarterly Federal Tax Return Form 990, Return of Organization Exempt From Income Tax Form 1040, U.S. Individual Income Tax Return Form 1065, U.S. Return of Partnership Income Form 1120, U.S. Corporation Income Tax Return Form 2290, Heavy Highway Vehicle Use Tax Return Form 4506-T, Request for Transcript of Tax Return Form 8849, Claim for Refund of Excise Taxes Form 8878, IRS e-file Signature Authorization for Form 4868 or Form 2350; and those forms in the Form 8878 family Form 8879, IRS e-file Signature Authorization; and those forms in the Form 8879 family

Signature Method	Applicable IRS Form
Inputting a Security Code and an Authorization Code	Form 720-CS, Carrier Summary Report Form 720-TO, Terminal Operator Report
Using an electronic signature pad	Form 8878, IRS e-file Signature Authorization for Form 4868 or Form 2350, and those forms in the Form 8878 family Form 8879, IRS e-file Signature Authorization; and those forms in the Form 8879 family.
Using a stylus device	Form 4506-T, Request for Transcript of Tax Return Form 8655, Reporting Agent Authorization ACH Direct Pay
Using voice signature technologies	Form 8850, Pre-Screening Notice and Certification Request for the Work Opportunity Credit
Using a scanned or digitized image of a handwritten signature	Form 8879-F, IRS e-file Signature Authorization for Form 1041

ACCEPTABLE FORMS OF ELECTRONIC SIGNATURES

1. Electronic signatures can take many forms and can be created by many different technologies. No specific technology or form of signature is required.
2. Any electronic sound, symbol, or process can be used as the form of electronic signature provided the form of electronic signature is permitted for use on the specific IRS document by IRS guidance.
3. If permitted by IRS guidance on the specific IRS document, the following forms of electronic signature are currently permissible for use:
    a. A typed name that is typed within or at the end of an electronic record, such as typed into a signature block.
    b. A scanned or digitized image of a handwritten signature that is attached to an electronic record.
    c. A shared secret, such as a code, password, or PIN.
    d. A unique biometric-based identifier, such as a fingerprint, voice print, or a retinal scan.
    e. A handwritten signature input onto an electronic signature pad.
    f. A handwritten signature, mark, or command input on a display screen by means of a stylus device.
    g. A selected checkbox on an electronic device such as a computer or tablet.
    h. A signature created by a third-party software.
    i. Current Approved Methods
    j. The following signature methods have been approved in earlier IRS regulations, publications, or other documents and continue to be accepted by the IRS under current IRS guidance:

Dear Community Partners!

I hope this message finds you well. I am writing to express my sincere gratitude for the time you invested in reviewing the invaluable tips we recently shared. Your commitment to staying informed is commendable, and we appreciate the opportunity to engage with individuals like yourself who understand the importance of sound financial management.

At Diverse Community Partners Inc., we strive to be more than just accountants – we aim to be your dedicated financial partners, providing you with crucial information for both internal and external use. It has come to our attention that many small business owners may overlook the significance of having a trusted accountant by their side.

You may be wondering, "Do I really need an accountant?" The answer is yes, especially if you own a business, are self-employed, have recently experienced major life changes such as a new home or the joy of a new family member, or if you have faced challenges with tax filings in the past.

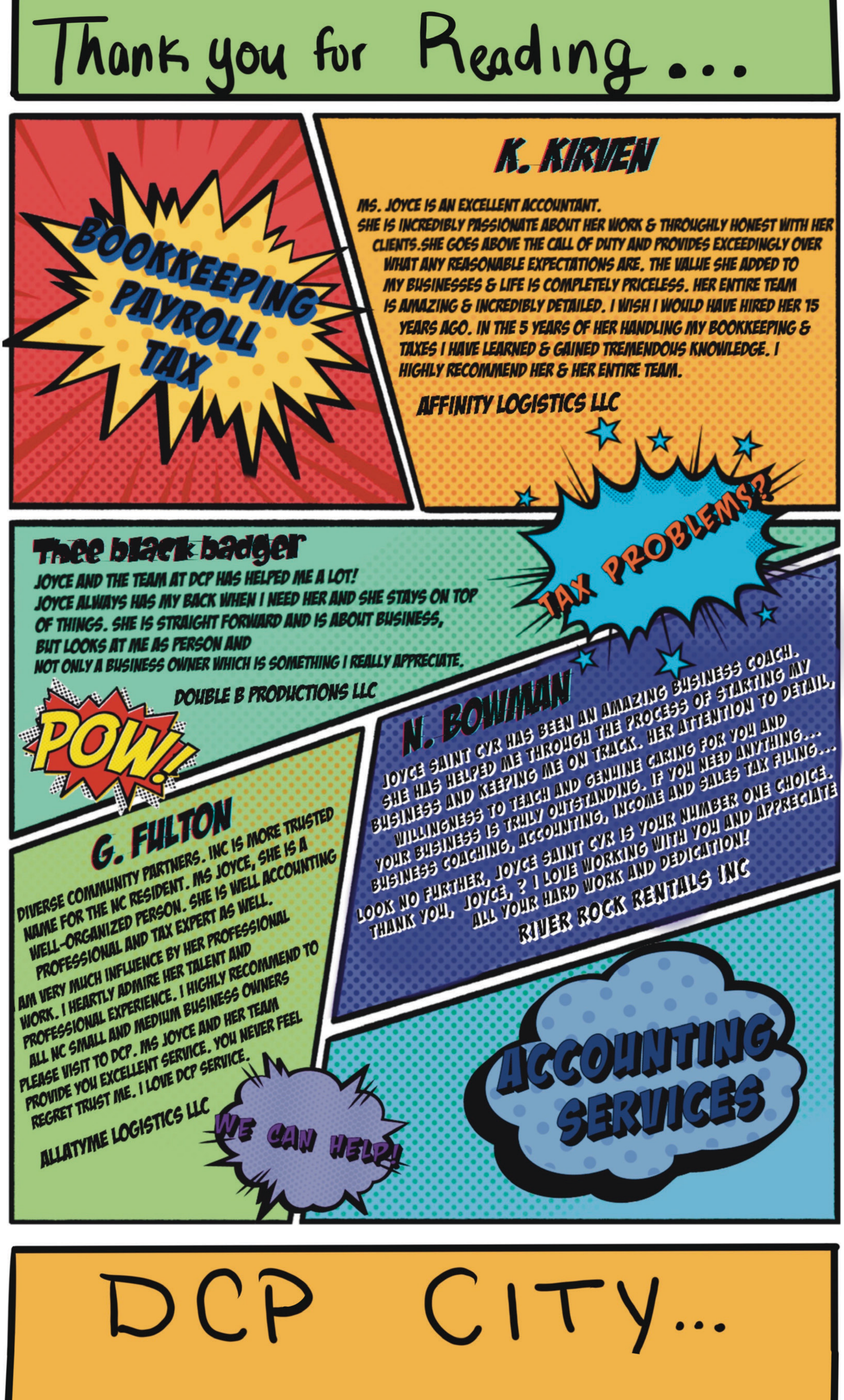
Over the past decade, a recurring issue we've observed is the absence of a formal method for tracking income and expenses among business owners. Frequently, individuals believe it is unnecessary, but according to the IRS, it is mandatory. To simplify this process for our clients, we proudly offer Xero, a user-friendly accounting system designed to streamline transaction tracking. While QuickBooks is a well-known tool, Xero caters specifically to the average individual, making financial management more accessible.

We would be honored to have the opportunity to serve you and your financial needs. Let's initiate a conversation to explore how we can be your trusted Super Accountant, offering expertise, reliability, and a personalized approach to meet your unique requirements.

Feel free to give us a call today [980.202.7280], and let's embark on this journey together.

Best regards,

Joyce Saint Cyr
Principal Accountant
Diversecommunitypartnersinc.com


Thank you for Reading...
BOOKKEEPING
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K. KIRVEN
MS. JOYCE IS AN EXCELLENT ACCOUNTANT.
SHE IS INCREDIBLY PASSIONATE ABOUT HER WORK & THROUGHLY HONEST WITH HER CLIENTS.SHE GOES ABOVE THE CALL OF DUTY AND PROVIDES EXCEEDINGLY OVER WHAT ANY REASONABLE EXPECTATIONS ARE. THE VALUE SHE ADDED TO MY BUSINESSES & LIFE IS COMPLETELY PRICELESS. HER ENTIRE TEAM IS AMAZING & INCREDIBLY DETAILED. I WISH I WOULD HAVE HIRED HER 15 YEARS AGO. IN THE 5 YEARS OF HER HANDLING MY BOOKKEEPING & TAXES I HAVE LEARNED & GAINED TREMENDOUS KNOWLEDGE. I HIGHLY RECOMMEND HER & HER ENTIRE TEAM.
AFFINITY LOGISTICS LLC
TAX PROBLEMS?
Thee black badger
JOYCE AND THE TEAM AT DCP HAS HELPED ME A LOT!
JOYCE ALWAYS HAS MY BACK WHEN I NEED HER AND SHE STAYS ON TOP OF THINGS. SHE IS STRAIGHT FORWARD AND IS ABOUT BUSINESS, BUT LOOKS AT ME AS PERSON AND NOT ONLY A BUSINESS OWNER WHICH IS SOMETHING I REALLY APPRECIATE.
DOUBLE B PRODUCTIONS LLC
POW!
N. BOWMAN
JOYCE SAINT CYR HAS BEEN AN AMAZING BUSINESS COACH. SHE HAS HELPED ME THROUGH THE PROCESS OF STARTING MY BUSINESS AND KEEPING ME ON TRACK. HER ATTENTION TO DETAIL, WILLINGNESS TO TEACH AND GENUINE CARING FOR YOU AND YOUR BUSINESS IS TRULY OUTSTANDING. IF YOU NEED ANYTHING... BUSINESS COACHING, ACCOUNTING, INCOME AND SALES TAX FILING... LOOK NO FURTHER, JOYCE SAINT CYR IS YOUR NUMBER ONE CHOICE. THANK YOU, JOYCE, ? I LOVE WORKING WITH YOU AND APPRECIATE ALL YOUR HARD WORK AND DEDICATION!
RIVER ROCK RENTALS INC
G. FULTON
DIVERSE COMMUNITY PARTNERS. INC IS MORE TRUSTED NAME FOR THE NC RESIDENT. MS JOYCE, SHE IS A WELL-ORGANIZED PERSON. SHE IS WELL ACCOUNTING PROFESSIONAL AND TAX EXPERT AS WELL. AM VERY MUCH INFLUENCE BY HER PROFESSIONAL WORK. I HEARTLY ADMIRE HER TALENT AND PROFESSIONAL EXPERIENCE. I HIGHLY RECOMMEND TO ALL NC SMALL AND MEDIUM BUSINESS OWNERS PLEASE VISIT TO DCP. MS JOYCE AND HER TEAM PROVIDE YOU EXCELLENT SERVICE. YOU NEVER FEEL REGRET TRUST ME. I LOVE DCP SERVICE.
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