

## FORM 1040 TAX INFORMATION: 2024

- [1] TAX RETURN : If you have a refund, you send nothing to the IRS. If you owe the IRS, you send the payment voucher and payment to the IRS. In all cases, your preparation fee goes to me (cash or check). My mailing address remains Rom Gilbert, PO Box 1990, Keystone Heights FL 32656.
- [2] SUBMITTAL DEADLINE: Unless you have a late arriving tax document such as a K-1 from a Trust, Partnership or S Corp, submit your tax documents to me by the end of March and in many cases, by the middle of February.
- [3] ROTH IRA: The Roth IRA remains a great option for retirement savings. The contributions are not deductible on your tax return but the earnings grow tax-free. There are consequences for an early withdrawal. You also have the option to convert part of an IRA to a Roth IRA. This would be a taxable transaction but may be beneficial in the long run.
- [4] IRS NOTICE: If and when you get a notice from the IRS requesting an additional contribution, get a copy to me immediately. You may owe exactly what the notice indicates. However, you may not. We challenge if necessary.
- [5] REQUIRED MINIMUM DISTRIBUTIONS (RMDs): The age to start taking RMDs is now 73. In July 2024, the IRS said that beneficiaries of IRAs inherited after 2019 for which the deceased was already subject to RMDs, would have to start taking RMDs in 2025 and clean out the account in the 10th year. There are exceptions to the 10-year clean-out rule such as the spouse.
- [6] SOCIAL SECURITY: This income may, or may not, be taxable depending on other income. The maximum taxable social security is 85% (example: \$25,500 of \$30,000). The cost-of-living-adjustment for 2025 will be 2.5%.
- [7] TAX DOCUMENTS, OTHER: Submit: (a) tax documents such as W-2, 1099-R, 1099-NEC, 1099-MISC and 1099-SA (Social Security); (b) charitable contributions as part of your 2024 RMD; (c) IRS PINs if received; and (d) federal and state estimated tax payments (first payment was due in April, 2024). The IRS still wants to know if you sold any digital assets.
- [8] TAX INFO 2024: (a) The gift tax exclusion increases to \$18,000 per donee. (b) The Child Tax Credit (CTC) remains \$2,000 for children 16 and under. Up to \$1,600 of the CTC is refundable for lower income taxpayers. (c) The standard mileage rate for business driving is 67 cents per mile. (d) The 0% rate on long term capital gains applies to taxable income of \$47,025 for Single, \$63,000 for HH and \$94,050 for MFJ. (e) The Child Care Credit allows up to \$3,000 for expenses for one qualifying child and up to \$6,000 for two or more qualifying children. The maximum credit is \$1,050 for one child and \$2,100 if more than one child.
- [9] FACT: I take no satisfaction in notifying clients that I will no longer prepare their income tax return. Over 90% of clients submit their tax documents on time and pay their tax preparation fee promptly. This is greatly appreciated. Clients with hardships through no fault of their own, have been and will be cut reasonable slack.
- [10] INFO: Email address is [romcpa@romgilbert.us](mailto:romcpa@romgilbert.us). Phone number is 352-473-3332. Web site is romgilbert.us. The web site should be cranked up with the latest information by early January.
- [11] For "security" purposes, your password is your first name. Therefore, don't forget your first name!!!