

FORM 1040 TAX INFORMATION: 2023

- [1] If refund: You send nothing to the IRS. Signed Form 8879 and payment for prep fee goes to me.
If you owe: Payment voucher and payment goes to the IRS: Signed Form 8879 and payment for prep fee goes to me.
My mailing address remains Rom Gilbert, PO Box 1990, Keystone Heights FL 32656.
- [2] Unless you have a late arriving tax document such as a K-1 from a Trust, Partnership or S Corp, you should be able to submit your tax documents to me by the end of March and in many cases, by the middle of February. An investigation by me resulted in finding only two clients who annually receive tax documents in April or even later.
- [3] If you are okay with your employer paying you a month or two late, then pay me when you can. If not, please pay me by April 15th. My late payment list of clients each year appears to include the usual cast of characters. This must cease. Double checking deposits are time consuming. One-time violators will not be considered for getting the boot.
- [4] When you get a letter from the IRS asking you for an additional contribution, make a copy and get it to me. Yes, you may owe exactly what the letter indicates. However, we cannot win a case unless we contest it when we have the facts on our side. When we do, I will fight to the finish. We even prevailed in one case where we ran out of IRS appeals and ended up petitioning the United States Tax Court.
- [5] The Roth IRA remains a great option for retirement savings. The contributions are not tax deductible but the earnings grow tax-free and are not taxable except for the early withdrawal penalty. 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. See INFORMATION 2022 for additional comments.
- [6] See INFORMATION 2022 for information on Social Security. The cost-of-living-adjustment for 2024 is 3.2%.
- [7] Various 2023 info: (a) The gift tax exclusion increases to 17,000 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 65.5 cents per mile. (d) The 0% rate on long term capital gains applies to taxable income of 44,625 for Single, 59,750 for HH and 89,250 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.
- [8] Required Minimum Distributions (RMDs): The age to start taking RMDs is now 73. In October 2022, the IRS said that beneficiaries of IRAs inherited after 2019 for which the deceased was already subject to RMDs, would not be penalized for not taking distributions up to and including 2023. At press time, this relief for beneficiaries has not been extended to 2024. There are exceptions to the 10-year clean-out rule such as the spouse.
- [9] Please submit tax documents such as W-2, 1099-R, 1099-NEC, 1099-MISC and 1099-SA (Social Security), charitable contributions as part of your 2023 RMD, IRS PIN(s) if received, and federal and state estimated tax payments (first payment due in April, 2023). The IRS also wants to know if you sold any digital assets.
- [10] The email address is romcpa@romgilbert.us. The phone number is 352-473-3332. The web site is romgilbert.us.