

# HLW TAX NEWSLETTER

JULY 2022



## **Attention: Virtual Office Changes**

**We are gradually transitioning to a more virtual work environment.**

**As of July 1<sup>st</sup>, 2022 we will be in the office by appointment only. If you need to drop off any documents, you can put them through the mail slot in our office door. We are available by email and phone and we will respond as soon as possible.**

**Our office will be closed from 7-13-2022 through 7-25-2022 and from 8-4-2022 through 8-9-2022.**

**We now accept Zelle for payment of services. The Zelle email is [bethany@hlwtax.com](mailto:bethany@hlwtax.com).**

**Our admin fee has not changed since we opened our business in 2009. Unfortunately, due to our increased costs, it is necessary for us to increase them.**

**Beginning with the processing of the 2022 tax returns our admin fee will be as follows:**

- **For 100% virtual paperless tax returns the fee will not change. It will remain \$50, with no additional charge for the e-signature service through DocuSign.**
- **The admin fee for tax returns prepared with physical documents will have an admin fee of \$60 and an additional charge of \$5 for the e-signature service through DocuSign.**

The IRS and FTB are really encouraging taxpayers to open online accounts. Below are some of the features:

- Check to see if you owe any back taxes
- Make and view your tax payments
- Request an installment agreement if you are unable to pay in full
- Order tax transcripts
- View digital copies of certain notices that have been sent to you

You can visit [IRS.gov](https://www.irs.gov) for assistance and information on a wide range of tax matters:

- Tax Withholding Estimator **ALERT: We are noticing that many clients are not withholding enough from their paychecks and/or retirement income. We strongly**

**suggest that you use the estimator as well as compare your year-to-date withholding with the tax summaries provided in your tax return.**

- To find out if a charitable group is eligible to receive tax deductible contributions.
- For publications on business start-up and to obtain an EIN
- TAS (taxpayer advocacy service) helping taxpayers with IRS matters
- Understanding IRA's, you do not always qualify to contribute to a Traditional or Roth IRA
- Interactive tax assistant to answer questions

## 2022 Tax Tidbits:

### Tidbit #1

This past tax season we learned that many of our clients are engaging in the activity of buying, selling, trading, or exchanging of Cryptocurrency. While preparing these tax returns it came to our attention that taxpayers in large were not aware of the responsibilities that come along with this activity.

When you sell, trade or exchange cryptocurrency, you must report it on your tax return as a capital asset sale. You will have a gain or a loss depending on your basis in the "coin" sold. You will need to provide us with a summary report of your total short-term proceeds and cost basis and your total long-term proceeds and cost basis of these transactions. Our office does not keep track of your cost in your cryptocurrency. We will need this report when we prepare your return. In addition, you must maintain in your records support for your cost basis and sales.

### Tidbit #2

Attention retirees, according to Kiplinger the ten most tax-friendly places to retire are Ala., Ariz., Colo., Del., D.C., Hawaii, Nev., S.C., Tenn. And Wyo.



### Tidbit #3

Standard Deduction vs Itemizing Deductions- The standard deduction is a given amount depending on your filing status, no support is required.

Itemized deductions include items such as property taxes, personal taxes (DMV auto renewals), charitable donations and mortgage interest. You cannot take the standard and use itemized deductions, except for \$300 per person charitable donation (by cash, check, or credit card).

### Tidbit #4

As of July 1, 2022, the standard mileage rate for auto expenses will increase to 62.5 cents per mile for businesses/rentals.

## Reminders:

For our clients that use our Intuit Link Portal, there is no "Link" for us to send you. This is your portal for you to access anytime. Just log in at <https://link.intuit.com/>.

Thank you for allowing us to be of service to you!

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