

V.L.H. Professional Services, LLC wants to keep you informed. Here are some key tax changes and issues to keep in mind.

**Tax return due dates:**

Individuals must file returns by April 15, 2024, for the 2023 tax year; Partnerships and S corporations must file returns by the 15th day of the third month following the close of the taxable year (March 15 for calendar-year taxpayers); C corporation returns are generally due by the 15th day of the fourth month following the close of the taxable year (April 15 for calendar-year taxpayers); and W-2s and 1099s must be filed by January 31, 2024, for the 2023 tax year.

**SECURE 2.0 Act:** Passed in the closing days of 2022 as part of the annual year-end appropriations bill, the SECURE 2.0 Act, like its predecessor, the SECURE Act, which was passed in 2019, makes significant retirement changes, including increasing the age at which required distributions must be made, changing the catch-up contribution limits for older workers, and numerous Roth account changes, among many more.

**Clean vehicle credits:** Starting in 2023, taxpayers have three separate tax credits available for the purchase of clean vehicles: a credit for new vehicles, a credit for previously-owned vehicles, and a credit for business vehicles. Each credit contains many rules and limitations, and starting in 2024, some of these credits can be claimed at the dealership at the time of purchase.

Be sure to discuss the tax ramifications with your tax preparer if you are unsure whether you qualify for a vehicle credit.

**Property transactions:** Did you sell any real estate this year? Be sure to provide copies of escrow statements, as well as the Loan Estimate form, the Closing Disclosure form, and California Form 593, Real Estate Withholding Tax Statement. You need these documents to properly prepare your return.

**1099s and K-1s:** If you received 1099s or K-1s from investments in 2023, we may extend your return in case these documents are corrected after the original filing deadline. We are seeing increasing numbers of corrected information returns, which require taxpayers to amend their original tax returns to reflect the corrected amounts. In some cases, the amounts are vastly different and can create additional costs in amending the tax returns and potential penalty problems.

**1099-Ks:** The filing threshold for 1099-Ks has dropped to \$600 for 2023. If you receive income through a third-party settlement provider (such as a credit card company or even a mobile phone app like Venmo or Apple Pay, among many others) then you may receive a 1099-K for that income even if you haven't in the past.

Be sure to provide a copy of any 1099-Ks you receive. In the case of mobile phone payment apps, if you designated your account as a business account, but receive payments for non-business items, then you may receive a 1099-K for income that should not be taxable to you. Do not ignore the 1099-K. The IRS will expect you to report the income. If the income was not received in exchange for goods and services then your tax preparer can report the 1099-K in a way that ensures you are not taxed on it.

**Foreign accounts:** We must report overseas assets owned by businesses as well as individuals. The reporting requirements are increasing and the penalties for failure to report continue to be harsh. Not all foreign holdings must be reported. If, for example, you hold stock in a foreign company through a U.S. broker, those holdings do not have to be separately reported. However, if you hold any other types of foreign assets, including bank accounts and securities accounts, please let your tax preparer know. If you have any doubt as to whether any of your assets are foreign, please discuss those assets with your tax preparer.

If you have any questions or need assist in preparing your taxes, please contact us.