

January 2023

**IT'S TIME TO PREPARE FOR YOUR
2022 TAX RETURN.**

New Clients

**We will be watching
for your records to come in,
and will contact you
with any questions****Happy New Year!**

The last few years of taxes were kind to many of us, with stimulus checks, expanded credits, or even one-time deductions for cash donation. But now, the **Child Tax and Dependent Care Credits are scaled back** to pre-2020 levels, and you can only claim charitable donations if you itemize. Yes, some credits have been extended or expanded, but we still expect **many will get smaller refunds or owe more tax this year.**

We can't bring back those "good times", but we have been studying how to minimize your taxes and help bring back every tax dollar that you are due. The IRS still hasn't announced when we can start e-filing returns, but we'll be ready when they are.

Did you get a **Form 1099-K**? This income needs to be reported on your return, but it may not be taxable. Give us a clear explanation of why you received the payments, and we'll make sure it's handled correctly.

The **standard mileage rates** for business, medical, and moving changed effective July 1st. Please separate your **January-June** miles from your **July-December** miles.

If you have an appointment, we will contact you several days in advance. We can meet with you in person, by telephone, or via **Zoom** if you wish. When practical, please provide your records a **FEW DAYS IN ADVANCE**, so we can get a head start on your return.

You don't need an appointment to **drop off and pick up your returns** during business hours, and **OUR DROPBOX** is open 24/7.

Better yet, save the trip and use our **secure PORTAL system!** You will be able to **send your documents and files to us as well as receive your completed returns electronically.** You can even **use your smart phone or tablet's camera** with our **NetClient CS app!** Just call or email us at taxteam@mclr.net to sign up.

Forgive us for repeating ourselves, but **E-MAIL IS NOT SECURE!** PLEASE do not e-mail confidential information. Use our **secure PORTAL system** instead!

Do you really need that paper copy? Download an electronic copy of your return from our **secure PORTAL system**, save them electronically, and cut down on paper storage!

Please **sign and return** the enclosed **Engagement Letter.** Fill in any extra state/city returns you need.

The enclosed **Tax Data Checklist** can help you organize your records. A more comprehensive **Tax Organizer** showing your prior year data is also available; if interested, call or e-mail us at taxteam@mclr.net.

Be sure to give us your current phone number! We may have questions to finish your return or to correct a problem with your e-filed return.

Did you have **foreign investments** or use "**digital assets**" (Bitcoin, NFTs, etc.) in 2022? You could be subject to severe penalties if you fail to disclose foreign accounts or report virtual currency transactions!

For direct deposit or electronic payment, **your bank account must be verified each year.** Some states also require us to include your (and your spouse's) **driver's license** or other state ID information for e-filing. We encourage including it to help reduce delays.

Let us prepare returns for your dependent children, especially college students. They may be tech-savvy, but probably not tax-savvy. Mistakes on their returns could prevent you from e-filing **your own** return, and **potentially cost you thousands of dollars in credits.**

Thank you from all of us at **MCLR Financial Center** for the opportunity to serve you. We look forward to seeing or talking with you soon, and wish you and yours a prosperous and safe new year!

Thank you for your patronage and trust. We look forward to serving you!