

From: Feltz Associates, LLC
Nancy M. Feltz Paparazzo, EA

Enrolled Agent

Member: National Association of Enrolled Agents
National Association of Tax Professionals

250 Maywood Ave Suite E, Maywood, NJ 07607 (201) 487-0311 (201) 487-3450 FAX
mirjo1@msn.com or hello@nancyfeltz.com **WEB SITE** nancyfeltz.com

Dear Friends,

February 7, 2023

Wishes for a Blessed, Healthy and Happy New Year. **Color for 2022 – GREEN** – a sign of **Hope**.

NOTE: If you do not sign all documents where required, nor answer the questions, it will delay the preparation and filing of your tax returns, and may incur additional fees for my preparation.


- **SYSTEMIZERS – LARGE AND SHORT** – as well as **Additional News and information CAN BE ACCESSED ON THE WEBSITE** nancyfeltz.com
- **SIGN AND COMPLETE** the following **required** pages when you mail or drop off your information:
 - **Engagement Letter** (Attached)
 - **Questionnaire** – There will be Many more questions this year; so, pour yourself a nice Cup of Tea, or a Glass of Wine before you start. The Questions **MUST** be answered and you **MUST** sign the page.
 - **PAGES B1, B3, B4 if applicable** - READ BEFORE YOU SIGN, Print your Name. If banking info is the same as it was in 2021, write “**SAME**”, **plus last four #'s of the account**. Otherwise, complete that section with the new information (or **L1, L2, L3, and L4**, if applicable).
 - **PAGES B7-B11 – OPTIONAL** – Special Note for 2022
 - **OTHER PAGES** – Only if needed. **OR you can use your own worksheets.**
- **NJ 2019 ANCHOR APPLICATION DEADLINE** – Extended to **Feb. 28, 2023**. Many filers will be eligible based on new income thresholds. Even **TENANTS** may be eligible.
- **DIGITAL ASSETS/VIRTUAL CURRENCY** – New Question for 2022 – **SERIOUS CONSEQUENCES FOR IMPROPER REPORTING**. Read Carefully before answering.
 - Suggested tracking method, if applicable, is the use of a Blockchain Explorer which can be used to estimate Virtual Currency Basis for IRS purposes. If there is no proof of basis, then the IRS requires the taxpayer to use **ZERO** (this **ZERO** basis rule applies to all reporting where basis is used to offset taxable income)
- Many New lines of the Form 1040 as relates to Employment Income, etc.
- Changes to **RMD** requirements
- Charitable Contributions (\$300/\$600) are **no longer** reported on page 1 of the 2022 Form 1040 for those who do not Itemize Deductions.
- **FORM 1099-K** - New reporting on the Form 1099-K delayed until tax year 2023. However, this does not relieve the Taxpayer from reporting **ALL** income, including amounts exceeding \$10, regardless of the receipt of a Tax Document or not. This has been the rule forever. Please note that you may still receive a Form 1099-K, Even if this does not represent Income to you, you must provide this document to me so that I can reconcile it on your return, making any offsetting entries for the Non-Income Amount. This should prevent you from receiving a notice from the IRS that you did not report all items on your tax return.
- **CHILD TAX CREDIT** – Children **under age 17** may qualify, but Maximum amount is once again \$2,000 per qualifying individual. Other Dependent Credit is \$500.
- **EDUCATOR EXPENSES** – Above the line deduction is now \$300 for 2022 (formerly \$250). Be sure to have receipts to substantiate (but do **NOT** send them to me, hold these in your personal file).

- ***PLEASE DO NOT send me your prescription receipts. A total is all I should require; Your Pharmacy may give you a yearly printout of your out-of-pocket Medication Expenses for the year. You can also give me a total for your Doctors out-of-pocket by CATEGORY. Long Term Care Insurance must be segregated due to limitations. Do NOT send me all of your BACKUP paperwork for other expenses either, but you MUST RETAIN that backup paperwork with your copies of the returns, in case they are required in an audit.***
- **MORTGAGE INTEREST EXPENSE TRACING** – Home Mortgage Interest is subject to a number of limits. See Page B11:
- **IRA CONTRIBUTIONS**
 - There is no longer an age threshold for making Contributions to your Individual Retirement Accounts (IRA). You will still have to have Earned Income in order to make the contribution.
 - RMD age: 2022 – 72; **As of Jan 1, 2023 through Dec. 2032 – 73**; 1/1/2033= age 75.
- **Homeowner Energy Credits** – New Provisions for EEHC as of Jan 1, 2023; RCEC – 30% for 2022.
- **ELECTRIC VEHICLES** – Maximum Credit of \$7,500 subject to two separate requirements for qualifying vehicles, and subject to Income and other limitations for the individual.
- **STATE NEWS:**
 - Those who do not Itemize Deductions (**NON-ITEMIZERS**) on their Federal return **may still be able to use Miscellaneous Expenses, Taxes, and/or Medical Expenses** on certain State's returns. Certain States, e.g., New York, still allow taxpayers to Itemize their Miscellaneous Deductions, even though the Federal Return no longer allows this. Therefore, if your State has an option to Itemize Deductions, rather than using a Standard Deduction, or an Adjusted Itemized Deduction amount, consider completing the Long-Form Systemizer Packet B **or providing the related information in whatever form you are comfortable with.**
 - **Many States** offer tax benefits for **EDUCATION** – Certain Sec 529 plans, Student Loan Interest, Certain Tuition Expenses. Complete the Systemizer Page for this information.
- **DEADLINES:**
 - **Systemizer & Info** – **ASAP**, after you have all of your tax documents and information. Please do not submit piecemeal **unless** it is time for extension calculations. It is not time effective if I continually go in and out of a return.
 - **TAX RETURN, and EXTENSION DEADLINES** – Thursday, **APRIL 18, 2023.**
 - **IRA CONTRIBUTION DEADLINE IS APRIL 18, 2023.**

Please review the attached worksheet that might be helpful in gathering your documentation & information. Refer to **Packet A** for information regarding the above and many other items of importance.

The above is a brief synopsis. Additional info may be found at **nancyfeltz.com**, and in the 2022 Packet A (also found on the website).

Amy and I appreciate our long-standing relationship with you, and we sincerely value your trust and friendship. We look forward to hearing from you soon.

Very truly,

Nancy M. Feltz Paparazzo, EA