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# 2023 Tax Updates

February 1, 2024

## Key Changes

- Tax Brackets
- Clean Energy Credits
- Bonus Depreciation
- IRA Required Minimum Distributions
- Form 1099-K
- FinCEN Beneficial Ownership Information Report for Business Entities
- Texas Franchise Tax Reporting

## Time to Get Organized for the Upcoming Tax Season

The 2023 Tax Filing Season is here! All of us at Scott Youngblood, CPA strive to do the best work for all our clients. Here are some suggestions, reminders, and dates to be mindful of when getting your tax information together to ensure a smooth tax season.



### Make a Checklist

Create a list of tax documents you are expecting to receive this year. If you need a refresher, you can request a tax organizer from our office that will list the documents from last year's tax return to serve as a guide.

### Keep Receipts

Review your receipts and keep good records of medical expenses, contributions, childcare, and business expenses.

### Track Business Miles

Record the miles you drive for your business. Also track the total miles driven for the year as both need to be included on your tax return. The standard mileage rate for 2023 is 65.5 cents per mile.

### Identify Missing Documents

If you know you are missing information or waiting on additional documents, please let us know when you drop off your information so that we can prepare accordingly.

### Include Estimated Tax Payment Information

If you made any estimated tax payments for the 2023 tax year, please include the date and amount of each payment when providing your tax documents to us. This will ensure the refund or tax owed on your tax return is as accurate as possible.

### Important Dates

- ◆ **January 29, 2024** - IRS begins accepting tax returns
- ◆ **March 15, 2024** - Partnership and S-Corporation Tax Return deadline. Returns must be extended or filed by this date.
- ◆ **April 15, 2024** - Individual Filing deadline. Tax returns must be filed or extended by this date.

NOTE: payment deadline is not extended and an extension payment should be made if you think you are going to owe to avoid penalties and interest.

## New Client Portal!

To better serve our clients, we have a new and improved website and are introducing a client portal this tax season. Our goal is to streamline the intake process for the upcoming and future tax seasons by making it easier to send documents to our office timely and securely. We will also use the portal to request additional information, send you a preview of your tax return once completed, starting business entities, and estate planning.

If you are interested in using the client portal, please contact our office so we can send you information on how to sign up.

### Sign In to Scott Youngblood

Email Address

Password

[Forgot Password?](#)

## Key Tax Changes for the 2023 Tax Year

### Deduction for Business Meals

Business meals were deductible up to 100% for the 2021 and 2022 tax years as an incentive after COVID. The temporary incentive expired as of January 1, 2023 and the deduction for business meals goes back to 50% for the 2023 tax year.

### Bonus Depreciation

The Tax Cuts and Jobs Act (TCJA) changed the rules for bonus depreciation by allowing businesses to immediately write off 100% of the cost of eligible property acquired and placed in service after September 27, 2017, and before January 1, 2023. As of January 1, 2023, bonus depreciation has begun to phase out over the next four years, with the deduction being reduced by 20% each year. Eligible property acquired during 2023 can be deducted up to 80%. Without any new legislation, bonus depreciation will be completely phased out by 2027.

### Clean Energy Credits

For 2023, the clean energy tax credits available include:

#### Energy efficient home improvement credit

Credit of up to 30% of costs for energy efficiency improvements and residential energy property expenditures; limited to \$1,200 annually.

#### Electric vehicle credits for purchases of new or used vehicles

Up to \$7,500 for purchases of new electric vehicles. A list of eligible clean vehicles that meet the requirements for this credit can be found at FuelEconomy.com. However, note that the credit is not available if your adjusted gross income is over \$300,00 for married joint filers (\$150,00 for single filers).

Beginning this tax year, a credit is also available for the purchase of a previously-owned clean vehicle. The credit is the lesser of \$4,000 or 30% of the cost of the vehicle. The vehicle must be sold by a dealer, and the sale price must not exceed \$25,000. The credit is not available if your adjusted gross income is over \$150,000 for joint filers (\$75,000 for single filers).

### Increased Age for Required Distributions

The age for required minimum distributions is being raised from age 72 to age 73. If you turn 72 in 2023 or later, you can keep money in a tax-deferred IRA or 401(k) for another 12 months for the account to continue growing before starting to withdraw funds.

Required minimum distributions must be continued if an IRA is inherited with a required minimum distribution already in place.

### Form 1099-K

The IRS delayed the new threshold requirements for Form 1099-K. The threshold will remain at \$20,000 for 2023, and the IRS is planning for a \$5,000 threshold in 2024 to phase in the change.

### IRS Identity Protection PINs

The IRS has started to mail out identity protection PINs for the 2024 filing year. Check your mailbox and make sure you provide a copy to our office when you provide your tax information. Your tax return CANNOT be electronically filed without your PIN.

## 2023 Tax Brackets

Tax Rate	Single	Married Filing Joint	Married filing Separate	Head of Household
10%	Up to \$11,000	Up to \$22,000	Up to \$11,000	Up to \$15,700
12%	\$11,000 to \$44,725	\$22,000 to \$89,450	\$11,000 to \$44,725	\$15,700 to \$59,850
22%	\$44,725 to \$95,375	\$89,450 to \$190,750	\$44,725 to \$95,375	\$59,850 to \$95,350
24%	\$95,375 to \$182,100	\$190,750 to \$364,200	\$95,375 to \$182,100	\$95,350 to \$182,100
32%	\$182,100 to \$231,250	\$364,200 to \$462,500	\$182,100 to \$231,250	\$182,100 to \$231,500
35%	\$231,250 to \$578,125	\$462,500 to \$693,750	\$231,250 to \$346,875	\$231,250 to \$578,100
37%	\$578,125 or more	\$693,750 or more	\$346,875 or more	\$578,100 or more

## FinCEN Beneficial Ownership Information (BOI) Report

In 2021, Congress enacted the Corporate Transparency Act which created a beneficial ownership information reporting requirement for many companies in the United States. Beginning on January 1, 2024, reporting companies will have to report information about their beneficial owners to the Financial Crimes Enforcement Network (FinCEN). Beneficial owners are the individuals who ultimately own or control the company.

The due date to file the report is December 31, 2024 for entities created before January 1, 2024. For new companies that are created on or after January 1, 2024, a BOI report must be filed within 90 days of the company's creation/registration with the Secretary of State.

A report must also be filed if there are any changes to the beneficial owners of the company during the year. The updated report must be filed within 30 days of the change.

If you would like our office to file the report on your behalf, please let us know when you drop off or send your business or individual tax information. NOTE: we must have a copy of the front and back of your driver license or ID to file on your behalf.

You can find more information on the BOI reports at [fincen.gov/boi](https://fincen.gov/boi).



## Texas Franchise Tax Reporting

In July 2023, the legislature passed Senate Bill 3, which increased the no tax due threshold and eliminated reporting requirements for certain entities.

The no tax due threshold was increased to \$2.47 million in gross receipts, from \$1.23 million the previous year, effective January 1, 2024. If your company's gross receipts are under this threshold you are no longer required to file a No Tax Due Report with the Texas Comptroller.

Note, however, that you are still required to file a Public Information Report.

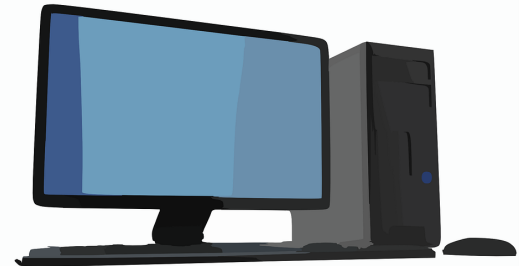
## Check Our Website for Updates

We will be updating our website throughout the year and during the upcoming tax season. Be sure to check our website for any important updates, reminders on filing deadlines, and office hours.

### Extended Tax Hours

Our office will be open extended hours and some Saturdays for pick up and drop off beginning February 12, 2024.

Monday	9:00 AM - 6:30 PM
Tuesday	9:00 AM - 5:00 PM
Wednesday	9:00 AM - 6:30 PM
Thursday	9:00 AM - 6:30 PM
Friday	9:00 AM - 4:00 PM
Saturday	9:00 AM - 1:00 PM



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