



JBA Tax Preparation, LLC

Hello everyone and Happy New Year!

We are gearing up for another tax season and wanted to share a few things with you:

Individual Tax Returns:

- Standard deduction has increased – \$13,850 for single taxpayers and \$27,700 for filing a joint return
- Clean vehicle credits – if you purchased an electric vehicle (**new or used**), please provide a copy of the purchase invoice that shows the vehicle make, model, VIN and price
- Energy credits - the residential energy credit has increased for eligible 2023 purchases – please provide documentation. Go to <https://www.energystar.gov> for more information
- Required Minimum Distributions (RMD's) now start at age 73

Business Tax Returns:

- Standard mileage rate was \$.65/mile in 2023 and is now \$.67/mile for 2024
- Meals for business are back to being 50% deductible
- Bonus depreciation is down to 80% from 100% - although that might still change for 2023
- BOI or Beneficial Ownership Interest Reporting is the hot new topic for 2024. In their quest to stop financial crimes, LLC's, LLP's, LLLP's, S-Corps and any other business that was 'created' and is now required to be registered (with, for example, the Secretary of State's office) must now report information regarding 'beneficial owners.' Beneficial owners include individuals who own 25% or more of the entity or who has substantial control over the company even without ownership. Existing companies have until 1/1/2025 to complete and file the report. New companies have 90 days. Noncompliance will result in HUGE penalties. <https://fincen.gov/boi>

Here are your tax prep options:

- You can drop your information off at your convenience and your returns will be prepared in the order that they are received. You have multiple options for providing your information to us:
 - We are open from 8:00 - 6:00 Monday-Friday and 9:00-3:00 on Saturdays. There is also a slot in the front door where your information can be deposited if the office is closed.
 - You can fax them to us at (218)477-8182
 - You can upload your documents to our secure portal (My.SmartVault.com)
 - Let us know if you need an invitation so we can set up your account
 - You can mail your documents to us at the address below
 - Please do not email your documents - it is not secure.

If you schedule a virtual appointment, or if you upload your documents, we will upload your completed return to the portal rather than providing a paper copy. Paper copies will be available upon request.

I am attaching a fill-in worksheet here and on our website – www.ibataxprep.com. It works best if you download the worksheet first and then fill it in. Please contact us if you prefer to have one mailed to you. **Please complete the worksheet**, it is very helpful to us as we prepare your return and will eliminate the need for repeated phone calls.

Let us know if you received (as a reward, an award, or as payment,) sold or traded any **Virtual Currency**.

Remember:

- Please provide ALL tax documents, including 1099-K and property tax statements
- Let us know if you have any foreign bank accounts or other assets
- The 2023 gift tax exclusion of \$17,000 increased to \$18,000 for 2024
- MN residents – remember that charitable contributions in excess of \$500 are deductible on your state return even if you do not deduct them on your federal return
- ND Primary Residence Credit – You can apply online for a credit of up to \$500 to be applied against your 2024 property taxes. You must own a home in ND and it must be your primary residence. Applications are due by March 31st. Let us know if you would like our help, or you can apply here: [https://apps.nd.gov/tax/tap/ /](https://apps.nd.gov/tax/tap/)

Finally, I am sure you are all aware of how expensive everything has become. We are paying more for utilities, food, housing, vehicle costs and more. Those increases have hit our office hard these past years with not only inflation, but also the additional costs involved in keeping your information safe and secure. There have been over 10 Congressional tax acts over the last few tax seasons, which has resulted in huge increases in new and improved hardware, software and employee training. After reviewing and analyzing the hours worked, the money invested in people and equipment, the time invested in training and the processes we use in preparing your tax returns, we realized that we are not billing enough to compensate for our investments of time, money and people. It is also taking more time to process your tax returns accurately and completely. Although it is a difficult decision to make, we have determined that we must raise our fees and reduce the number of tax appointments we take for this coming tax season, in order to more personally and professionally serve our clients.

We have always valued your business, and will continue to value it in the future. The best way that I know of to retain your trust and confidence is to inform you in advance of these and any other changes we make. We are so grateful for you and we wish you all the best in 2024!

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