

**Jamie Duman**  
**Certified Public Accountant**

Dear Clients & Friends,

Once again, it's hard to believe another year has passed! I hope the year has treated you well, and I look forward to seeing you soon. As most of you know, Amanda is back in the office as an in-house bookkeeper. Nicole continues to process payrolls along with her other office duties. The new face in the front office is Patty, and she will be greeting you soon.

Before preparing your tax returns, I will need some help from you. Below you will find information about putting together your tax materials so that I can prepare your returns both efficiently and thoroughly:

Appointments:

I will once again be scheduling in-person appointments. For anyone who would prefer a virtual appointment, I am set up to handle Zoom or FaceTime Meetings. At the time you schedule, please let us know how you would like to meet. Remember to call early to set up your appointment, as certain dates and times will fill up quicker than others. You can email, fax, or drop off your information. There is a secure drop box (mail slot to the left of the main doors) on the face of the building.

Copies of Tax Returns:

In an effort to reduce paper usage (and save a few trees), returns will be emailed in a PDF format. Therefore, I will need a current email address. If you would prefer a paper copy of the return, please let me know and I'll be happy to provide you with a paper copy as in the past. We use a time-sensitive encryption program to ensure confidentiality. Please let us know your preference.

Charity:

A deduction for charitable contributions is still available for those who do not itemize. ALL deductions of any amount *must* have a receipt. Any individual contribution over \$250 must also have an acknowledgment letter from the charity. The letter should show the date and amount of any individual contribution over \$250 and should also state that no goods or services were received in return for the contribution. Additionally, there is a new deduction for charity amounts that do not require you to itemize, so please let us know of *all* cash contributions you made in 2022.

Virtual Currency:

The IRS continues to increase its focus on virtual currency (like Bitcoin, for example). The 2022 Form 1040 now has the question on the very first line of Form 1040 asking whether you have bought, sold, traded, or spent any virtual currency. Please bring it to my attention if this applies to you.

### Energy Efficiency Tax Credits:

There are currently numerous provisions for tax credits for energy efficiency. If you have made energy efficiency improvements to your home, this will also need to be brought to my attention.

### Organizers:

Blank organizers are available on my website: [www.jamiedumanpcpa.com](http://www.jamiedumanpcpa.com). If you would like to request a personalized tax organizer with last year's information filled in, please call, email ([frontdesk@jamiedumanpcpa.com](mailto:frontdesk@jamiedumanpcpa.com)), or simply return the request slip at the end of this letter.

### Foreign Bank Accounts:

There are increased fines for not reporting that you have a foreign bank account (or signature authority over a foreign bank account). It doesn't have tax implications, but it is necessary to file the FBAR report. Please let me know if this applies.

### IRA:

The maximum IRA and Roth IRA contribution for 2022 will be \$6,000 plus \$1,000 if age 50 or over. Income limitations apply. This must be made by April 15, 2023, to be deducted in 2022.

### Health Savings Account (HSA):

A health savings account (HSA) is a savings account set up exclusively for paying the qualified medical expenses of the account beneficiary or the beneficiary's spouse or dependents. The HSA reduces taxable income in the same manner as an IRA and, therefore, is another way to save on income taxes. An HSA provides a powerful tool in putting aside tax-deductible dollars to be used when health care costs arise.

However, there are numerous restrictions relating to health insurance plans, so, if interested, please check with your insurance agent regarding whether you qualify to use an HSA. If you make a contribution to an HSA, make sure you get me the information to ensure we take the deduction. Similar to IRAs, these contributions can be made up until April 15, 2023, and still be deductible on your 2022 income tax returns.

Additionally, I'll need verification of the amounts spent out of your HSA account.

### Health Insurance:

The State of Idaho continues to allow a deduction for health insurance costs including health insurance, long-term care insurance, and cancer insurance. Please include your health insurance costs when you provide your tax information.

\* If you received a credit on your insurance through the insurance exchange, you will receive a form from them. **This is Form 1095-A, which I will need in order to prepare your returns.** If you have qualified for the exemption, please go to the exchange for the verification sheet.

### College Savings Plans:

These accounts are no longer limited to expenditures for college. Tax law expands the accounts to now cover K-12 schooling costs. The State of Idaho has an IDEAL college savings plan that

provides for tax savings on the state return. If you are interested, more information is available at [www.idaho529.org](http://www.idaho529.org). If you already have an IDEAL plan, please let me know.

Hobby Losses:

The issue of business vs. hobby continues to be an area of emphasis for the IRS. When business activity is deemed to be a hobby (without profit motive or too many years of losses), the IRS will limit and/or disallow deductions.

Privacy Policy:

The company privacy policy is available on my website. If you have any questions or concerns, please do not hesitate to contact me.

Please remember:

\* Per IRS directive, we will be electronically filing all tax returns that are eligible. If you wish to paper file, there is an additional release form that you need to sign.

\* If you would like direct deposit for a refund, we will need a canceled check or a photocopy of a check for the account you wish to deposit into. Deposit slips are not acceptable.

\* Finally, for those of you who are typically last-minute filers, ALL of your tax information needs to be in my office no later than Friday, March 24, 2023, in order for us to meet the April 17 filing deadline. Otherwise, contact our office and we will be happy to file an extension on your behalf; however, *you* will still be responsible for making an estimated payment *on time*, if necessary. We will not be responsible for late penalties.

As always, please let us know if you have questions.

Best Wishes,

Jamie Duman  
Certified Public Accountant  
Enrolled Agent