

Jamie Duman
Certified Public Accountant

Dear Business Clients:

To my relief, 2023 has been a year of minimal changes to tax laws.

There is, however, a new advantageous tax move that business owners can make: For 2023, you can prepay your State and Local Income Tax (SALT) through your S Corporation or Partnership. With this approach, the company can pay the tax for the owners and the amount flows through to their personal returns. The company can then deduct these tax payments as business deductions.

Paying your state tax through the business is beneficial in most cases, so I recommend doing so. **However, these payments need to be made prior to December 31.** Please let me know if you would like more information.

The IRS has determined that there has been a great deal of fraud surrounding Employee Retention Credits (ERTC). At this point, the IRS has stopped processing ERTC claims and has put everyone on notice. There will be extensive audits where the credits have been claimed.

It seems as if every year goes by quicker and quicker. For your convenience, I have provided a list of the documentation necessary for me to complete your 2023 tax return. **Don't forget:** please have all materials to me by **March 1, 2024.**

As usual, it would be helpful if I had your tax information prior to our meeting. Information can be submitted via email, fax, or in the secure drop box in the office foyer. Completed returns can be emailed or mailed directly to you for signatures and payments. In an attempt to avoid duplication of processing, please let us know your preference for delivery of the completed returns.

The new face in the front office is Cynthia. She looks forward to meeting you at the front desk. Likewise, you'll have a chance to meet Derreck and Jasmine, both of whom have started this year.

As always, we all look forward to working with you!

RELEVANT TAX LAWS

The Transparency Act is a new piece of new legislation. There is not a lot of information yet available on it, but it will require each company to verify ownership. I will keep you posted as more information becomes available.

TAX RETURN INFORMATION NEEDED:

At a *minimum*, the following supporting documentation should be submitted:

1. If the bank accounts have been reconciled, please provide a reconciliation to the book balances as of December 31, 2023. If the accounts have not been reconciled, please provide copies of **December 2023 bank statements** for all checking/savings accounts (i.e. if your bank statement has a mid-month cutoff, then please provide us with the January 2022 statement as well).
2. If there is a petty cash balance on December 31, 2023, please compare the cash amount on hand to the book balance. These amounts should be the same and need to be adjusted to the actual.
3. If ending inventory exists on December 31, 2023, please provide a recap of your physical count taken at year-end.
4. Fixed asset additions purchased during 2023 (over \$2,500)—please provide copies of invoices supporting purchase price and date acquired. If the asset was financed, please provide the loan agreement.
5. Fixed asset disposals – please provide information on assets sold and/or abandoned during 2023. This now includes the information on assets that were traded in for new assets.
6. Credit card statements **listing charges through December 31, 2023**. Depending on the statement cutoff date, this could be your January and/or February 2023 statements. Each credit card account should be reconciled to the book balance.
7. Statements reflecting the loan balance on December 31, 2023 (this may be the January 2023 statement). Loan balances may relate to equipment loans and lines of credit. If you receive a year-end summary reporting interest paid in 2023, please provide it. Also, please provide copies of any new and/or refinanced loan agreements that were entered into during 2023.
8. Year-end payroll reports including 2023 W-3s and W-2s. If you use an outside payroll service, please provide the last payroll report for the calendar year 2023.
9. Copies of 2023 Forms 1099 issued for the year. Please let me know if you would like for me to prepare your year end 1099s.
10. Copies of contracts for new leases (i.e. property, vehicles of equipment) during 2023.
11. If applicable, please submit IRS Forms 1099 (Int., Misc., Cancellation of Debt, etc.) and any IRS correspondence your business may have received for 2023.
12. Documentation for any change of ownership for partners/shareholders, locations, or number of stores.

After your 2023 accounting has been completed (i.e. 2023 activity entered and accounts reconciled), please create an Accountant's Copy or Backup of your QuickBooks file for our use. I will need the password.

If you use software other than QuickBooks, please print balance sheets as of December 31, 2022, and December 31, 2023, an income statement for the calendar year 2023, as well as an accounts receivable summary list and accounts payable summary list as of December 31, 2023.

This is a preliminary list; additional information may be requested during income tax preparation. Your cooperation in submitting this information on a timely basis is very appreciated.

CUTOFF DATES FOR TIMELY COMPLETION OF ENTITY TAX RETURNS:

The initial federal filing due date for 2023 **C and S Corporate tax returns as well as Partnerships** is March 15, 2024. To ensure completion of your corporate return, **all** information must be received by our office **no later than March 1, 2024**.

The final extended federal filing date for 2022 **C and S Corporations and Partnership** tax returns is **September 16, 2024**.

Once our office receives all required information, tax returns are prepared on a first-in, first-out basis.

Thank you in advance for your assistance, and I look forward to working with you this year.

Sincerely,



Jamie Duman
Certified Public Accountant
Enrolled Agent

JD/jld