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NEWSLETTER FOR 2022 TAX RETURN

Dear Client,

I hope this letter finds you and your family doing well. My employees will be here working behind the scenes at various hours. The front door will be locked unless you have an appointment in advance.

How to get your documents to us? Pull out front and drop in the drop slot in the front door, mail in, or scan your papers to our portal.

--**Drop in the slot in the front door** – Pull out front – Make sure to have your name and a good phone number on your sealed envelope. Place in the drop box in the bottom of the front door.

--**Mail In** – Send by Priority Mail

--**Scan to our portal** – Send an email to us at info@melissawetzelcpa.com and I will send you a link for you to scan and upload your documents.

What documents to give to us? We have designed the attached papers to guide you in collecting the information we need to prepare your 2022 Individual Tax Return

--**Signed Engagement Letter** – Must be signed or we cannot start your tax return

--**Questionnaire** – This is not a test – answer the best you can. Put a question mark if you don't understand. We will call to discuss any questions.

--**Tax Documents to Send to Preparer** – Review this list of items we received from you last year. Make changes and notes.

--**Asset List** (if you had a business, farm or rental) Review. Make changes and notes.

--**No Thumb Drives Allow** – We cannot accept thumb drives – chances of a virus are too great

--**Lost Our Forms** – Can be downloaded from our website www.melissawetzelcpa.com

How to contact us?

--Call us at 301-447-3797 Monday through Friday from 10:00 am to 4:00 pm and Saturday 10:00 am to 2:00 pm for a personal assistant (otherwise leave a message)

--Email us at info@melissawetzelcpa.com

Other Important Information:

Driver's License – If you are a current client and you renewed your license last year, we need a copy. If you are a new client, we need a copy of your license (if we didn't already get it).

Gift Exclusion – The annual gift tax exclusion is \$16,000 for 2022 and \$17,000 for 2023. If you gave more than \$16,000 in 2022 to an individual, you are required to file a gift tax return.

Itemized Deductions – If you are close to itemizing, we still need your documents to complete your (Maryland Residents Only) state tax return.

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Charity – A receipt is required to take any charity deduction. If you also have non-cash donations, we can email or mail you a “Donated Goods Valuation Guide” for your convenience on calculating the amount donated. We will no longer be able to calculate the amount for you. If non-cash donations are over \$5,000, as per the IRS, an appraisal is required to be attached to the tax return. For non-cash donations, you must have a receipt, itemized list with value and a photo.

Virtual Currency – The IRS has added a question on the 1040 asking whether you have bought, sold, traded, or spent any virtual currency – please make sure to answer this question on the questionnaire or we cannot start your tax return. Attach any documents showing what has been done with the virtual currency.

Sole-Proprietor (business) – I have a questionnaire you might want to review when gathering your data. If not enclosed, get from my website www.melissawetzelcpa.com or let us know. Also, we tried to include your previous asset list. Please review and make changes.

Mileage Rates (cents)	<u>2022</u>	<u>2023</u>
Business	58.5 1/1-6/30	65.5
	62.5 7/1-12/31	
Medical/Moving	18	22
Charity	14	14

My Questionnaire – If you answer yes to any question on my questionnaire, it usually means you need to give me additional information like a document. Examples: W-2, 1099’s from retirement, interest, dividends, rent, non-employee compensation etc., Form 1095-A for Health Insurance, Forms 1098 for mortgage interest and property taxes etc. We must have the actual form or copies of the forms to complete your tax return.

CHANGES FOR 2023:

Social Security - Social Security has increased 8.7% for 2023. You might have more taxable income. We might need to increase your withholding or estimates.

Early retirement at 62 years old – You can earn up to \$21,240 before Social Security reduces your benefits. If you earn more than the \$21,240, social security will withhold \$1 in benefits for every \$2 of earnings in excess of the exempt amount.

RMD - The New RMD (Required Minimum Distribution) is age 73. Applies if you turn 72 after 2022. If you turned 72 in 2022, you must take your first RMD by April 1, 2023. If you wait until 2023 to take your first RMD, you must take a second one by the end of 2023.

If you have any questions or concerns, please give us a call or send an email.

Have a Great Day,
Melissa M. Wetzel, CPA and Staff