TAX PREP FINANCIAL SERVICES

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Personal Income Tax Preparation
Personal Tax Estimating
Personal Tax Planning

January 16, 2024

Dear Clients,

How many of you, like me, are glad to say "Goodbye" to 2023? After 3 successive challenging years for various reasons, with losing my long-time assistant, Joyce, having to train a new assistant, and going paperless, last year was our most disastrous. I did not readily learn the new technologies and processes we implemented, thus running me the farthest behind ever in our 33-year history. Then about the time I was becoming proficient with these new processes, my best friend of over 40 years passed away, followed three weeks later by my mother in-law passing away. The year ended with my new assistant, Emma, needing to quit and my 97-year-old dad going into hospice. Despite all these setbacks, our clients remained incredibly patient and faithful. I am pleased to say that I have become much more proficient at the new technologies employed in our business, and I look forward to a MUCH smoother 2024 tax season. However, because I am still catching up on tax returns, and training my son, Mitchell, as my new assistant, I have decided to forego any marketing for new clients to focus on providing better service to the clients we already have. Moreover, **since there are no significant changes in tax laws that would require major changes to our worksheets, for the sake of time, I am foregoing revising the worksheets this year**. Therefore, feel free to begin completing our downloadable tax worksheets at the "Tax Worksheets" page of our website and upload them, and your Forms W-2, 1095, 1098, 1099, and Schedules K-1, to your portal folder for us to put you in line to prepare your tax return. Also, for the sake of time, I am choosing to forego my annual MK Tax Workshop conference call and writing my annual **TAX NOTICE**. If I have time, perhaps I will write it later, at which point I will notify you.

In our effort to move to a completely digital and paperless tax practice, we will employ our secure client portal as the primary means by which you and I will transmit sensitive tax information to each other. It is the most secure means of transmission. Also, because a person must already have your password to get into your portal folder, I will NOT encrypt the documents with an additional password. **We will still mail returns to clients who specifically request it; however, we will charge $25 for each paper copy of your tax return, and $35 for overnight delivery**. We will also charge for consultations over 15 minutes in length. **This web-based portal can be accessed from any page of our website by clicking the "Login" button in the upper right-hand corner, or by going to jeffthetaxman.securefilepro.com from any device possessing internet access.** To coordinate all functions under one brand, **we have changed our email address to tax.prep@jeffthetaxman.com.** This letter is to inform you of (any changes to) our firm's resources, policies, and procedures. Please avail yourself of them:

- As mentioned, our new client portal will take over as the primary means of receiving and delivering your sensitive tax information and returns. Upload our worksheets and your tax forms (W-2, etc.) to it. If you can't remember your password, simply click "Forgot Password." New clients can use the "Guest Exchange" function at the portal.
- **Our most significant resource to date is a re-usable Cosmetics Business Spreadsheet in Excel™, updated to version 2.0. It is a contemporaneous record keeping system customized to your M-K cosmetics business and designed to flow directly into our Cosmetics Business tax worksheet. You enter your activity as you incur it and have the computer total it for you on the spot. It provides a summary of your cosmetics business' entire year at-a-glance on one page (front and back) so that you can see where your income and expenses stand at any given time. At year-end simply transfer the totals to our tax worksheet. Get it at our website for only $25.**
- **Get our professionally produced M-K tax workshop education video for only $10 through our website so that you can watch and learn from it or show it to your Unit(s)/Area as often as you like.**
- Remember you can purchase audit protection for only $55 on a tax return we prepare that is good for 3 years and comes with one year's worth of identity theft protection. If you receive a notice from the IRS or state for that tax return during that 3-year period, audit specialists will provide up to $1 million of services at no charge. *It would benefit out of state clients or those with complex returns, but it must be purchased at the time the return is prepared.*
- **If paying our fees via Zelle, please email them to tax.prep@jeffthetaxman.com. It saves us the CC merchant fees.**
- **For the third year in a row, my hourly rate remains at $90/hour.**

Although the Tax Cuts and Jobs Act (TCJA) of 2017 reduced the federal penalty to $0 for not having health insurance within the Affordable Care Act (ACA) of 2010, taxpayers who receive health insurance subsidies through the Marketplace

Exchange must reconcile their advance premium tax credits on their tax returns. Also, some states passed their own mandates for health coverage. **Thus, clients who received Form 1095-A, or those living in a state that has a state income tax, must still complete the Healthcare Coverage Questionnaire, and submit it, and Forms 1095, to our office.** All others do not.

Remember to use the *POST-2017 INCOME TAX DATA-ITEMIZER* worksheet for tax years 2018 and later. All our submission documents are .pdf fillable forms. HOWEVER, PLEASE NOTE THAT IN ORDER FOR THE DATA YOU TYPE TO BE RETAINED ONTO THESE DOCUMENTS, YOU MUST FIRST NAME THE FORM AND SAVE IT TO YOUR COMPUTER. THEN ONCE SAVED, YOU MUST OPEN IT IN YOUR .pdf READABLE SOFTWARE. If you do not have any .pdf readable software, you can obtain Adobe Acrobat Reader™ by simply clicking the link to their website at the bottom of the "Tax Worksheets" and "For Directors" pages of our website. Read the worksheets carefully and use any of the notes we wrote on last year's worksheets as a guide to fill out this year's worksheets. **Incomplete worksheets cause delays and raise your bill (possibly hundreds of dollars). ALL CLIENTS MUST FILL OUT THE *POST-2017 INCOME TAX DATA-ITEMIZER* AND READ AND SIGN A TAX RETURN ENGAGEMENT LETTER. IN ADDITION, IF YOU RECEIVED FORM 1095-A FROM THE MARKETPLACE EXCHANGE OR YOU LIVE IN A STATE THAT ASSESSES STATE INCOME TAX, YOU MUST COMPLETE AND REMIT A HEALTHCARE COVERAGE QUESTIONNAIRE, ALL FORMS 1095, IF ANY, THAT YOU RECEIVED (-A from the state exchange, -B from insurance companies, AND/OR -C from employers) PLUS A COPY OF ALL YOUR MEDICAL INSURANCE CARDS.** If you operated a Mary Kay Cosmetics business, you must complete a Cosmetics Business worksheet. If you performed contract work for compensation or operated any other type of business, **including from the sharing economy (Uber, Lyft, Vrbo, Airbnb, etc.)**, you must complete a *Sole Proprietorship* worksheet. If you were a practicing ordained minister, then complete a Minister worksheet to claim any compensation and expenses from that activity. For depreciable assets, report only the changes from the previous year for the information we already have on file, such as new or retired assets, or changes in business use percentage. Submit **ALL** relevant **COMPLETED** worksheets, plus Forms W-2, **1095**, 1098, 1099, and Schedules K-1, as well as brokerage statements reporting stock/mutual fund sales. The **ONLY** receipts we need from you are from **NON-CASH** (clothes, etc.) charitable contributions when the **TOTAL FOR THE YEAR** exceeds $500.

Upon completing the worksheets, Tax Return Engagement Letter, and Healthcare Coverage Questionnaire, if applicable, submit your data via **our portal**, email, mail, fax, or drop-off this data to us in our lockable mailbox at the back of our driveway on the side of our house, and we will put you in line. Scans, copies, photos, or faxes of your documents are acceptable. When uploading to the portal, please combine all documents into one, identifiable file (ex., Jones2023taxes). You may email us a few days later to find out what number you are in line. When Mitchell works on your return, he will email you if he has any questions. Then I will call or email you if I have any additional questions. When I am finished, I will call you with the results and request payment for our services. Then I will upload to the portal or email you a form(s) to sign and remit before we file the return(s) electronically. **Be sure we have your email address and latest copies of your IDs.**

We prepare returns on a first-come, first-served basis yet returns without a business will be expedited. SUBMITTING COMPLETED WORKSHEETS, NOT JUST W-2 FORMS, RESERVES YOUR PLACE IN LINE. WE MUST HAVE YOUR TAX DATA 6 WEEKS BEFORE ANY INDIVIDUAL TAX DEADLINE (3/1/24); 4 weeks for S corporations (2/15/24). However, this DOES NOT guarantee completion by that deadline. Due to vast differences in complexity of various client returns, we cannot predict completion dates. Instead, follow my progress toward your number in line on our website. Out-of-state clients, allow extra time for mail delivery or pay $35 to have us overnight your returns.

We look forward to preparing your 2023 tax return. Please continue to demand, and vote for, smaller government and lower taxes. It benefits all of us. Thank you for your repeat tax business! God bless you and God bless America!

Sincerely,

Jeffrey C. Peterson, President
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