



**METZGER
TAX
SERVICE LLC**

10125 S.W. Hall Blvd.
Tigard, Oregon 97223
503.246.4776 - Phone
503.244.8552 - Fax

Specializing in Individual, Small Business, Non-profits, Estate & Trusts

January 2024

To our valued clients:

We hope you had a happy holiday, and we wish you a prosperous New Year. We also thank you for your business and many client referrals. Karen and Rob had a wonderful trip to Italy and other fantastic places in Europe. Your entire tax team is ready to forge ahead into the busy tax season assisting you with your tax preparation and plannings needs.

First, we appreciate your patience as we maneuvered through the past difficult tax seasons. With COVID and legislative changes occurring throughout the past tax seasons, we were all kept on our toes. We have been busy the past few weeks with year-end legislative changes, but as of this writing, we do not anticipate any last-minute changes from Washington DC, but we will watch closely!

We are so blessed with our staff and pleased to share with you that **all** of our preparers will be with us again for the 2023 tax season. We do need additional staff for other positions, and we are working hard to hire. We ask you in advance to bear with us as we manage staffing demands during this time.

Moving into the 2023 tax season, we have been planning ways to continue to keep all of us, including you, as safe as possible as we complete your tax returns. First, remember that for the security of your tax data, our staff works only at our office and never takes your tax information home. We look forward to having you in our office to share documents. Here is our operational plan for exchanging data and required signatures:

If you wish to drop off materials to us:

We ask that you call and make an appointment with our staff to bring your data to us. This allows our staff to get the required documentation ready for you. This is **NOT** an appointment with Rob or Karen, but with our qualified front desk staff. By calling ahead of time, our staff will have your personalized data ready for you to review and sign. Remember, we cannot start your returns until you have signed the required paperwork.

If your tax circumstances have changed, or you want to visit with Rob or Karen, please call to make an appointment. Choose from an in-office visit, Zoom, or phone call. Whatever you wish, we will be available.

If you wish to transfer your data to us through our secured SmartVault web portal:

Many of you have shared the ease of exchanging data with us through our secure web portal. You have also shared that having your historical tax filings available to you at any time of the year is very helpful. If you have not used our secured portal, please call the office and once you confirm your email address, we can send you a link. If you have used this portal with us before, your login credentials remain the same, your username is your email, and the password is what you chose at setup. If you do not recall your password, on the login page are instructions to get a new password. Login to our portal at **www.my.smartvault.com**. We require that documents that are uploaded be in **PDF, Word, or Excel**.

You may also mail documents to us:

We will need various required documents signed before we can begin your tax preparation. If you would like to complete and review a portion of the paperwork that we require prior to getting documents to us, some of the non-personal forms are available on our website at www.metzger-tax.com, under the *Client Information* tab.

Once your return is completed, our office will call you as we have in the past. Please be sure we have your current phone number and, if voice mail is available, that it is routinely checked. We have a couple of options for picking up returns:

To physically pick-up returns, sign required documents, and pay our invoice:

Stop by the office as you have done in the past. The staff will deliver your return, get appropriate signatures, and complete the filing requirements. You do not need an appointment for tax return pickups.

If you would like Rob or Karen to “walk through” your return when you pick up, just tell the staff that you would like an in-office pick up appointment.



To have a virtual pick up:

Many State and local tax forms **cannot** be electronically filed, and therefore not all tax documents can be signed electronically. Therefore, this option may **not** be available to you. If your returns are eligible for virtual pick up, we can also arrange for your signatures via a DocuSign secure system.

We ask that you call the office or go to our website (www.metzgertax.com) and pay for your tax preparation when the return is complete. We will **not** be able to file your return until your invoice is paid.

If you use DocuSign or pickup your returns in person, we always place your returns in our SmartVault secured portal. This allows you access to your returns at any time. They are in PDF format for easy review and have access to them for your future needs.

Tax law updates:

As we mentioned, we have been taking many tax courses to keep track of the myriad of changes with new tax regulations. The following are a few notable changes that may affect your specific 2023 tax preparation:

This is the year that we calculate your Oregon “kicker”. If you filed an Oregon tax return in 2022, and incurred a tax liability, you will be given a tax credit (a reduction in your tax obligation) for 2023. This year the Kicker is very large, 44.28% of your 2022 Oregon tax liability. As an example, if you were single, had Oregon taxable income in 2022 of \$40,000, and had a tax liability of \$ 3,244, your kicker will be \$1,435!

Do not hold your tax documents waiting to receive the Oregon postcard that reflects your refund from 2022. Oregon will only be sending these out to a select few taxpayers.

A simple tax reminder . . . All income is taxable unless a specific tax code deems the income not taxable. What this means is . . . if you receive cash or any other form of payment from the sale of items such as jewelry, handyman work, babysitting, or any other multitude of ways you might make a bit of money, it is taxable! If you do not get a form, such as a W-2 or 1099, indicating you made money, the money received is taxable!

With the above said, in late November, the IRS again delayed the lower payment levels of mandatory reporting for electronic payment companies. This 1099-K activity is when you *receive* payments from Stripe, PayPal, Cash App, Venmo, Amazon, Square, Zelle, E-bay, and other electronic payment systems. These companies **may still** report activity on a form 1099-K to the IRS indicating that you received “income”, and if so, we need the forms that you receive so we can properly report the information on your tax filings. But if you do not get formal notice such as a 1099, you are still obligated to report all income received. We can help determine if it is taxable and what expenses you may be able to deduct to lower the taxable income.

For the 2023 tax year, the RMD’s are again required of anyone who is 73 or older, or turned 73 in 2023. If you are unsure if you properly made this withdrawal, visit with your retirement plan administrator/broker. Please provide the form 1099-R that you will receive.

Again, this year, we will need to know where you physically worked (employer work office, home, etc.). This information helps us determine tax due to various local tax districts. We will need to have a detailed report of the number of days worked at home and the number of days worked at your employer’s office.

As with prior years, if you are an employee (W-2 wage earner), you cannot deduct any business-related expenses such as miles driven, home office costs, or any other business-related expenses. We recommend asking your employer for reimbursement for costs you incurred. If you are reimbursed for direct costs, these reimbursements are not taxable.

With the larger Federal Standard Deduction, many folks do not itemize on the Federal return. Oregon has not materially increased its standard deduction. If you are an Oregon resident, or live outside Oregon but work in Oregon, we still want to have all your itemized deduction items (medical, property taxes, home mortgage, charitable contributions, and gambling losses if you have reportable gambling income).

The IRS is increasing its regulation and enforcement of foreign and cryptocurrency reporting. Please notify us if you have any money in a foreign account that you control. Bluntly, **cryptocurrency is taxable, reportable, and carries incredible penalties for not reporting**. You must provide detailed reporting to complete your returns.



Tax planning continues, and now it is more important than ever:

Anyone, of any age, may now deposit money to an IRA if they have earned income such as a wage or self-employment. This is a great way to pay yourself first (for your retirement).

If you are over the age 70½ (this age did not change), and have an IRA, you can benefit from the direct IRA to charity transfer to make charitable contributions. This simple task can save you hundreds of tax dollars. Withdrawals from a retirement plan are usually always taxable and some withdrawals have an additional 10% penalty. Withdrawals when you are over 59½ (or lower depending on circumstances) and some specific withdrawals do not have a 10% penalty. At any age, a portion of the following withdrawals may not have the 10% penalty – birth or legal adoption of a child, home purchases for buyers who have had no ownership interest in a main home within the last two years, to pay IRS levies, for health insurance premiums paid while unemployed, and other specific reasons.

Every year we are told “I pay too much in taxes” or “I want some of the tax loopholes that rich people get.” We can answer both statements with one comment. *Rich people get no more tax deduction or “loopholes” than anyone else; they just take advantage of what is there to keep their taxes at a low legal level.* The single greatest tax “loophole” that they use, which few average people use to its limit, is the ability to **defer \$22,500 or more into a 401(k)** if your employer offers one. If your employer has a 401(k) (or an HSA account) and you are **not putting** the maximum deferral in it, there is **no reason** to even think about other tax planning ideas.

Other Thoughts

Regarding IRS telephone calls . . . the IRS will **NEVER** contact you by telephone without initiating contact by USPS mail. Our instructions to you . . . *Just hang up.*

Identity theft involving tax return information is rampant. We value the detailed information you share with us. All Metzger staff are background checked, most are personally known by Karen and Rob for years, and our security for our building and our computers is top notch. Remember, your personal tax documents never leave our office. All work is completed within our building by our excellent team members.

We are happy to meet with you throughout the year for tax planning, retirement, and similar income tax related issues, and sincerely appreciate your continued business each year.

If you received a tax organizer from us last year, we will be sending you an updated one in early January. If you did not receive one last year and would like a tax organizer which lists your prior year tax data as a guide to gather your information or would like a simple check list of documents normally needed to prepare a return, please let us know by emailing margaret@metzgertax.com or call the office at (503) 246-4776. We will be happy to send this information to you.

Our clients have been so generous giving back to our community. Again, this year, we are having a food and clothing drive for Bethlehem House of Bread, a local Tigard based free store for those in need. They accept nonperishable food items, and clothing for all ages. All donations stay within our community. We encourage you to bring in a couple of canned food items and any clothing you wish to share with those less fortunate in our community.

It is imperative that you gather your tax documents and get them to us before Friday, March 15th to ensure we get your returns completed. If you cannot get us ALL documents by March 15th, upon receipt of a signed engagement letter, we will file an extension and then complete your return when your data becomes available. If you have a sub-chapter S or partnership business, we will need all tax documents by Thursday, February 15th. Please notify us now if you anticipate a need for an extension.

Thank you again for choosing Metzger Tax Service to assist with your taxes. We wish you a wonderful 2024 year and look forward to working with you.

See you soon,

Rob

Robert A. Sederstrom
Certified Public Accountant

Karen

Karen C. Sederstrom
Licensed Tax Consultant



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Call for a drop off appointment

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QUICK CHECK LIST

1. All copies of W-2's, 1099's, K-1's and 1099-K's forms. Also, if you received any **1095(s)** which is information from the Health Insurance Marketplace, we must have copies of these forms.
2. If you received money from Stripe, PayPal, Cash App, Venmo, Amazon, Square, Zelle, E-bay, or other electronic payment systems, login to your account(s) and provide us with from 1099-K if generated.
3. All year-end mortgage loan statements, including those refinanced or paid off and 1098 forms. If you refinanced or got a new mortgage loan, we will need the closing papers.
4. Copy of all closing papers on purchase or sale of home or property.
5. Detailed investment activity reports from your investment brokers. Annual form 1098. Provide ALL pages.
6. Unemployment compensation (1099-G), and social security benefits (Form 1099-SSA).
7. All itemized deduction support. Remember that we still need all itemized details for your State return(s). Itemized deductions include property tax statement, City of Portland art tax, mortgage interest 1098 forms, out of pocket medical costs, and proof of contributions.
8. If you were involved with any form of cryptocurrency, please provide a detail of each transaction.
9. If you have any foreign financial accounts, we will need details – please ask us for the required information.
10. Schedule summarizing business or rental income and expenses (by property).
11. Payment record of estimated tax payments paid for the 2023 tax year including date and amount.
12. Childcare: Name, address, social security or Tax ID, and amount paid to each provider. By child receiving care.
13. Any IRS or State correspondence you may have received during the year.
14. College breakdown: Payment schedule for tuition, fees, books and supplies, and form 1099-T. By student.
15. If you changed bank accounts and expect a refund, please enclose a current voided check.
16. If we do not already have on file, we are required by the IRS to make copies of government issued ID for individuals listed on the tax return and maintain it in our files. This is for your fraud protection. For any dependent listed on your return, we must have a copy of their birth certificate AND Social Security card.

**Remember, in this electronic world, many of your required tax forms are NOT mailed to you. You may
Need to login to your online accounts or call the company to get necessary tax forms!**