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Happy Holidays from Hetletved CPA!

Every year we try to become more efficient and serve our clients better. Our tax disclosures worksheet is one way we do this. We've been using this worksheet for several years, and we feel it is necessary for us to accurately prepare your tax return. Secondly, this form has helped us save our clients thousands of tax dollars by simply reminding them of items that may be deductible or for which there is a tax credit. Please help us by having this worksheet filled-out, signed, and included in your 2024 tax paperwork.

Included on our tax disclosures page is a request for Drivers License info. The IRS and the state of ND have requested this information for several years. It is, however, optional. Generally, it is requested from taxpayers to help avoid identity theft. For that reason, we feel it should be included on all tax returns. Failure to provide the information could slow the acceptance of your tax return and ultimately slow the receipt of your tax refund. The state of ND requests ID information and even specifically states that returns without IDs could face delays. Due to the amount of time we've spent requesting this info in the past, we have made the decision that our office will not request this info from our clients if the info is not provided on our disclosures page.

One of the biggest lessons learned from the 2023 tax year is that many taxpayers must make estimated tax payments. The IRS will penalize for failure to make proper estimated tax payments. Here is a review:

- Any taxpayer that owes more than $1,000 to the IRS as of filing could be subject to the penalty for not making estimated tax payments.
- Penalties may still apply when a taxpayer does not owe a the time of filing. The IRS requires estimated tax payments to be made evenly throughout the year. W-2s, 1099s, and K-1 earnings as well as withholdings are always considered to be received evenly throughout the year. We recommend reviewing your W-4 and having more withheld to cover tax due before making estimated tax payments. Contact us if you have any questions with regard to W-4s.
- Exceptions:
    - Taxpayer has at least 100% of the prior year's tax paid in on the current year return. This is 110% for taxpayers with income over $150,000. Again, the amount paid in must be received by the IRS evenly throughout the year.
    - Farmers are allowed to file and pay by March 1st and avoid the penalty. They must qualify as a farmer. Many may not qualify due to off farm income or rent. In those cases, estimated tax payments are required unless there is sufficient withholding on a W-2 or 1099.

We get questions about our procedures at Hetletved CPA every year, so we thought it might be useful to provide a quick overview of what to expect when you bring your business to us:

- When you drop off your paperwork or upload your documents to our client portal, we ask that you include a completed and signed disclosure worksheet (included), all tax documents received (W-2s,1099s, K-1 etc), and all other completed worksheets.
    - Separate worksheets are required for these specific operations: business, rental activities, farming, and daycare. See our website for worksheets. www.hetcpa.com/worksheets
    - If you are using the client portal, we ask that you contact us to let us know you've finished uploading your documents.

    - All new clients must provide us with copies of the last two years of tax returns.
- In the event that we need more information, or to discuss your tax return, we call, text, or email.
- Once your return is complete, you will be contacted by email or text to sign the documents necessary to file your tax return. A tax return cannot and will not be filed by our office without your signature on the forms required for efiling. Married taxpayers require a signature from both spouses.
    - Due to IRS regulations, we cannot accept anything other than a "wet signature." The pages must be printed out and signed in ink. If you are using our client portal and are unable to print the forms to sign them, please let us know, we'd be happy to mail you a copy.
    - There may be several documents that must be signed. Please look through them and sign all pages before returning them to our office.
- Once your return has been filed, you'll generally receive any refunds due within about 3 weeks, however, the IRS will hold refunds for longer than that, on occasion. If you have tax due, you must pay the amount due by the due date. This can be done online, or by sending a check with the voucher we provide you.
- We must receive your documents by April 1st to ensure that your return will be prepared by the filing date. We do not automatically file for extensions, so please contact us to do so.

Energy efficient home improvements/property: Examples of what may qualify include: windows, doors, roof, solar, geothermal, and furnaces.

IRS scrutiny of foreign accounts means you need to be absolutely clear about any non-US accounts or income so we report it correctly. You have a reporting requirement if you have $10,000 in a foreign country.

If you or your employer funds a Health Savings Account (HSA) and money from that account was used for medical expenses in 2024, you will receive a Form 1099-SA. This form is required to file your tax return.

We will not email tax returns, W-2's, or other documents with personal identifying information on them. However, we have other ways of making documents available in a secure fashion. Just let us know.

If you purchased your health insurance through the marketplace (healthcare.gov), you will receive Form 1095-A. We must receive a copy of this form to prepare your return.

Cryptocurrency activity is always reportable. All tax returns have a question about digital assets that must be answered.

Parents & Grandparents: Now may be the time to consider 529 plans for children or grandchildren of any age. A change has been made to these plans. Contact us for more details.

Tax tables, mileage rates, the standard deduction, estate planning limits, and retirement contribution limits are available on our resources page at www.hetcpa.com/resources.

Tips
- Reminder: check your retirement account (401k, 403b, IRAs etc.) beneficiaries to ensure they are correct.
- We recommend you check your social security earnings annually. www.ssa.gov
- Confirm that your SSN is correct on all tax documents received, and follow up if you find an error.
- Always wait to file a dependent's tax return until after yours is completed. Along the same lines, please provide us with all dependent's income information (W-2s, 1099s, etc) even if you are not requesting our assistance in the preparation of their tax returns. It may affect your tax return.
- Making estimated tax payments? Visit our website: www.hetcpa.com/estimated-tax-payments. Both the IRS and the ND state tax department have options for making your payments online.
- If you would like us to prepare any 1099's and/or W-2's, we must have the necessary information by January 15th. We always recommend you get a W-9 from the individual, independent contractor or business before you pay them.

Every year we are reminded how much we value your business, and we want to say thank you! Please contact us if you have any questions.