

**Bacon and Gendreau Tax Preparation**  
Tax Preparation and Financial Services  
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**WWW.BGTAXCT.COM**

January 1, 2023

To All Our Valued Clients,

The 2022 tax filing season is upon us. We especially wish that all is well with you and your family. We would also like to thank you for allowing us to prepare your income tax returns last year and thank you for your continued patronage, support and trust in us by continually referring your friends and family. Steve, Susan, Michael, Sue and I are truly humbled and grateful to every one of our clients.

Individual filing season will begin accepting electronic and paper returns around Monday, January 23, 2023. The filing deadline is April 18, 2023 for all 2022 calendar year tax returns for individuals. We ask that you do not wait until the last minute. If anyone comes after March 31st, we cannot guarantee that we will be able to complete your tax return on time and we will make the determination if an extension is necessary.

**Tax Year 2022 - What's NEW**

*Please note that the information below is based on information up to 12/15/2022.*

*Refunds* that include the *Earned Income Tax Credit* or *Additional Child Tax Credit* should be available by the first week of March. The law requires the IRS to hold the entire refund – even the portion not associated with EITC or ACTC.

*Refunds may be smaller, this year, as there were no Economic Impact/Stimulus Payments in 2022. In addition, some tax credits will return to pre-pandemic levels including the Child Tax Credit and Dependent Care Credit.*

*Child Tax Credit (CTC)* – The Child Tax Credit has reverted to its original limit of \$2,000 for each dependent under age 16. Income phaseout range begins at \$200,000 for single and HOH filers and \$400,000 for joint filers. The \$500 Credit for Other Dependents (ODC) is available for non-child dependents such as college students under the age 24.

***Child and Dependent Care Credit (CDCTC)*** - For 2022, the credit percentage of qualifying expenses ranges from 20% to 35%, depending on your adjusted gross income. Eligible families can claim qualifying child (under age 13) and dependent care expenses of up to \$3,000 for one qualifying person or \$6,000 for two or more people. Taxpayers with an adjusted gross income over \$438,000 are not eligible for this credit.

***Employer-Provided Dependent Care Assistance*** - For 2022, the maximum amount of tax-free employer-provided dependent care benefits reverts to the pre-Covid amount of \$5,000. This means that an employee can set aside \$5,000 in a dependent care FSA, if their employer offers one.

***Mileage Rate Changes*** – Business mileage rate was \$0.585 from 1/1 through 6/30/2022 but was increased to \$0.625 from 7/1 through 12/31/2022. So we will need mileage for each separate period.

***Certain Expenses of Elementary and Secondary School Teachers (K-12)*** – For 2022, an eligible educator is allowed a deduction of up to **\$300** for expenses of books, supplies (including Covid-19 protective items), computer equipment (including related software and services), other equipment and supplementary materials.

***Interest on Education Loans*** – Student loan interest is interest you paid during the year on a qualified student loan. You may deduct the lesser of \$2,500 or the amount of interest you actually paid during the year. The deduction is gradually reduced and eventually eliminated by phaseout when your modified adjusted gross income (MAGI) amount reaches the annual limit for your filing status.

***Health Savings Accounts (HSA)*** – To contribute to an HSA, you must be enrolled in an HSA-eligible health plan. The contribution limit for 2022 is \$3,650 (self-only) and \$7,300 for family coverage. Those 55 and older can contribute an additional \$1,000 as a catch-up contribution. You can make contributions up to April 18, 2023 and qualify to take as a deduction on your 2022 Federal Tax Return.

***IRA Contributions*** - The 2022 limit on annual contributions to an IRA (traditional and Roth combined) remains unchanged at \$6,000. The IRA catch-up contribution limit for individuals aged 50 and over remains \$1,000. For tax year 2022, you can make contributions up to April 18, 2023.

***Gifts*** - The annual exclusion for gifts is \$16,000 for calendar year 2022. Gifts given over the exclusion amount require reporting on a Form 709 Gift Tax Return by the gift giver, not the recipient.

***Energy Credits – Inflation Reduction Act of 2022*** – changes eligibility rules to claim a tax credit for clean vehicles. Prior to purchasing visit [www.fueleconomy.gov](http://www.fueleconomy.gov) and/or call us for more information.

### ***Tax Planning for 2023 – What's New***

***Energy Efficient Home Improvement Credits*** – See website for updated information

***401(k) Contributions*** – The 2023 contribution limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased to \$22,500. The catch-up contribution limit for employees aged 50 and over is also increased to \$7,500.

***IRA Contributions*** - The 2023 total contribution limit increases to \$6,500 (\$7,500 for those age 50 or older).

***Gifts*** - This will increase to \$17,000 for calendar year 2023. Gifts given over the exclusion amount require reporting on a Form 709 Gift Tax Return by the gift giver, not the recipient.

### ***Important Filing Information***

***GoFundMe*** – Giving money to an online fundraiser through crowdfunding platforms like GoFundMe or Kickstarter are not tax deductible unless the money raised is going to an IRS-designated 501(c)(3) charitable organization. If so, be sure to get a donor acknowledgment letter with the charity's EIN number before your tax return is filed.

***Schedule C documentation*** – Please see our website for forms for self-employed taxpayers such as mileage logs (miles must be documented to claim the deduction), expense tracker and our Schedule C tax organizer.

***The 1099s: 1099-K, 1099-MISC, 1099-NEC*** – Taxpayers should report the income they earned, including from part-time work, side jobs or the sale of goods (e-Bay, Poshmark, Etsy, Ticketmaster, etc.). Effective January 1, 2022 Form 1099-K will be issued by third-party networks that process payments (credit/debit cards, PayPal, Venmo, etc.) for transactions totaling \$600 or more.

***Important Information about Identity Protection PINs*** - An IP PIN issued by the IRS is valid for one calendar year. A new IP PIN is generated each year for your account. Logging back into the Get an IP PIN tool on the IRS Website will display your current

IP PIN. An IP PIN must be used when filing any federal tax returns during the year including prior year returns. (IP PIN's are not required but may be requested to help prevent fraudulent tax returns from being filed in the taxpayers name.)

*Where's My Refund?* – Taxpayers can use the Where's My Refund? tool to check the status of their refund. Go to [www.irs.gov](http://www.irs.gov) and click on “Get Your Refund Status.”

*IRS Online Account* – Securely access your personal tax information including tax return transcripts and payment history and verify your address as listed with the IRS. Go to [www.irs.gov](http://www.irs.gov) and click on “Sign in to Your Account.”

### *Housekeeping Guidelines*

***For all tax returns please complete the 2022 Tax Year questionnaire and provide with your paperwork.***

*There are several ways in order to get your tax information to us.*

- 1) Drop off. We will process and follow up with a phone call before finalizing.*
- 2) Mail in. We recommend you make copies and keep your originals.*
- 3) Use our Secure Portal accessible through our website. Please call us to set up initial access.*
- 4) Office appointments if necessary.*

*We will be uploading organizers to our secure portal for your convenience.  
You should receive an email indicating it is ready to print.  
Call the office if you need one mailed to you.*

**Payment and signature of Form 8879 is required prior to the actual filing of your income tax returns electronically. We regret and apologize for any inconvenience this may cause you.**

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*Best Regards,*

***Steve and David***

2022 Tax year			
<b>Name</b>		<b>DOB:</b>	
<b>Email Address:</b>		<b>Cell / Primary Phone:</b>	
<b>Spouse:</b>		<b>DOB:</b>	
<b>Email Address:</b>		<b>Cell / Primary Phone:</b>	
<b>Mailing address:</b>			
<b>Last year's Filing Status (Any changes for this year)</b>			
<b>Number of Dependents (Any Additions or Subtractions)</b>			
<b>Dependents names, DOB and Social Security #:</b>			
<b>Driver's License number, state, issue date, expiration date-Taxpayer</b>			
<b>Driver's License number, state, issue date, expiration date-Spouse</b>			
<b>INCOME</b>	<b>Forms</b>	<b>Yes</b>	<b>No</b>
Wages, Salaries or Tips	W-2		
Taxable Interest Income(Banks will only send out if interest earned is more than \$10)	1099-INT		
Dividend Income	1099-DIV		
<b>Did you receive, sell, send, airdrop, exchange or acquire any virtual/crypto currency? (ex: Bitcoin)</b>			
<b>Do you have any property, bank accounts or pensions in a foreign country?</b>			
Income tax refund from state	1099-G		
Alimony Received and date of Agreement, if Pre-2019 (Name and SSN for Ex-spouse will be needed)			
Business Income - Schedule C or LLC (Ask for Separate Sch C Organizer or obtain on website)	1099-NEC, 1099-K		
Sale of stocks or bonds	1099-B		
Sale of other assets? Need Closing Disclosure form for real estate sales/acquisitions.	1099-S		
IRA Distributions / Rollovers	1099-R		
Roth IRA Distributions	1099-R		
Pension, Retirement Plan withdrawals (Please note if Military or Teachers pension)	1099-R		
Did you take withdrawal in 2020 due to COVID? Will you pay back? Did you allocate over 3 years?			
Royalties, partnerships, estates, trusts	K-1		
Rental Property (Ask for separate Sch E organizer or obtain from website)			
Do you have any Schedule K-1's from Publicly Traded Partnerships?	K-1; K-2; K-3		
Unemployment Compensation (If so, which state)	1099-G		
Social Security Income	1099-SSA		
Reportable Gambling Winnings	W-2G		
Cancellation of Debt / Foreclosures	1099-C or A		
529 Distributions - College Savings Plans	1099-Q		
Long Term Care and Accelerated Death Benefits	1099-LTC		
Health Savings Account - Distributions	1099-SA		
Did you have any sales of personal items on EBAY, Poshmark, Etsy, Tickmaster in excess of \$600?			
Any other sources of income?			
<b>ADJUSTMENTS TO INCOME</b>		<b>Yes</b>	<b>No</b>
Educator (Teacher) Expenses (Deduct \$300 of unreimbursed qualified expenses) (K-12)			
Health Savings Contributions ( Do you want to max out contributions?)	5498-SA		
If self-employed, do you want to make a contribution to SEP or retirement plan?			
If self-employed, do you pay for your health insurance out of pocket?			
Alimony Paid and date of Agreement (Name and SSN for Ex-spouse will be needed)	Pre-2019		
Did you make any contributions to Traditional or Roth IRA contributions during 2022?	5498		
Student Loan Interest Deduction (\$2500 max per return)	1098-E		

Name

DOB:

<b>ITEMIZED DEDUCTION</b>		<b>Yes</b>	<b>No</b>
Medical and Dental Expenses (amount over 7.5% of AGI is allowable)			
Long Term Care Insurance Premiums			
State and Local General Sales Taxes? (Did you purchase a vehicle or other large item?)			
Real Estate Taxes			
Personal Property Taxes (car, boat)			
Mortgage Interest (Note whether Home Equity or Principal)(PMI/MIP)	1098		
Points (Did you refinance? If Yes, what is the term of the new loan?)			
Investment Interest (Margin Interest)			
Charitable Contributions - Cash			
Non-cash contributions (Salvation Army, Goodwill, etc)			
Auto Donations (Form 1098-C provided within 30 days of sale)	1098-C		
<b>CREDITS</b>		<b>Yes</b>	<b>No</b>
Child Care Expenses Under Age 13 - Includes Summer Day Camps (Need FEIN, Name, Address, \$)			
Qualifying Education and Tuition (American Opportunity, Lifetime Learning)	1098-T need financial transcript		
Did you make any Energy Efficient purchases? Windows, Doors, Solar, Heating and Cooling			
Adoption Expenses			
Alternative Motor Vehicle Tax Credit (hybrid, electric, diesel)(purchase new not used)	sales contract		
CT Child Tax Credit - \$250 per child/\$750 max (August 2022)			
<b>MISCELLANEOUS</b>		<b>Yes</b>	<b>No</b>
Do you have an Identity Protection PIN issued by the IRS? (IPPIN)			
Are you paying back the First-Time Home Buyer Credit? \$7,500/15 years = \$500 per year			
Did you get any notices from the IRS or State Agencies during the year?			
Did you make gifts totaling more than \$16,000 to any individual during the year? (Gift tax return)			
Injured/Innocent Spouse Claim? Should it be filed for Fed and state? (Married filing jointly only)			
Were Estimated Tax Payments made directly to the IRS throughout the year? (Quarterly payments)			
Did you make any contributions to Qualified 529 College Savings Plans? Need CHET Acct #			

DO YOU EXPECT ANY CHANGES IN THE FUTURE FOR TAX PLANNING PURPOSES THAT WE COULD HELP YOU WITH?

**BY SIGNING BELOW, YOU THE TAXPAYER ACKNOWLEDGE THAT THE ANSWERS ON THIS FORM THAT YOU PROVIDED ARE TRUE & ACCURATE TO THE BEST OF YOUR KNOWLEDGE AND BACON & GENDREAU TAX PREPARATION IS NOT LIABLE FOR MISSING OR IMPARTIAL INFORMATION/ TAX FORMS.**

Taxpayer Signature/Date \_\_\_\_\_

Spouse Signature/Date \_\_\_\_\_