

Jonathan Wells, President

The scoop of the day
The latest updates

2023 Tax Season is around the corner, and with it comes some new changes that we’ve experienced and others that we’re implementing. As is my goal, year after year, I want to grow and improve our company, and this past summer we’ve been busy at work doing just that. Starting with the addition of two new staff members for the year 2023 that will provide some much appreciated back up to the staff accountants.

Another of those changes includes requesting clients to utilize the vault and upload their documents at least two days prior to their meeting. Our goal this season is to focus our meetings on the good stuff; to provide advice, review, educate and plan. To do so, we need to omit the data entry portion that can take up too much of the allotted meeting time. We will also be aiming at reducing the appointments to 30-minute periods to save our clients time, without compromising on quality. Our new staff will be in charge of prepping tax returns for meetings behinds the scenes. Each client can expect detailed communication from our team on how to utilize the vault properly and comfortably.

This new year you can also expect a new revamped and simplified organizer. We’ve cut back to a single page with solid instructions on what forms to look for when you answer "yes" to a question.

A change that we are excited about is the introduction of the defined three tiers of service and more transparency to the cost of working with a tax professional for personal taxes. Read on for all the details!

As always, corporate work will begin right after the New Year’s holiday and business owners can expect communication from the staff to get the work complete as early as possible!

Wishing you many blessings and the best holiday season from our office and family to yours.

Sincerely,
Jonathan Wells

2022 Tax Organizer – Revamped!
What’s the point of the Tax Organizer anyways?

We have realized over the years that the organizer was more comprehensive and robust than was required; we wasted paper, postage and it lacked solid direction on what answering a question meant. For the 2023 season, we took our 10+ page organizer and reduced it to a one-page detailed checklist. Different from our previous organizer, this year you will know exactly what documents to look for when getting ready for your appointment. Additionally, we have created solid spreadsheets for small businesses and rental properties, and hosted them on our website to aid in compiling the more complex data. No longer will you fill out reports in an organizer. This will again save you time, energy and make your life a bit easier during the season.

You should expect to receive your organizer in early January via mail, if you have not received it at least a week before your appointment, please reach out to the office and we will be happy to email. You can also find it on our website under “forms”, which you can download and print or electronically fill.

We hope that in a near future we can fully eliminate the paper organizer and take advantage of our electronic resources.

The Smart Vault How to!
All your documents in one secure location

SmartVault™

Since we are requesting you upload your documents at least 48 hours prior to your appointment, we want to make sure you feel comfortable doing so. We have taken the time to prepare some visual aids and brief training videos that will show you step by step, how you can navigate, download, and upload files.

You can access the vault by visiting our website and clicking on the “access vault” button on the top of the page. You can also access the vault by typing my.smartvault.com on your web browser.

At the beginning of your business relationship with WSH you would have received an email invitation requesting you to activate your Smart Vault account. During the activation process you would have created a secure password, only known to you. If you have not done this process yet, please reach out to our office and will get you set up.

The videos and visual aids will be sent to you via email, but you can also find it on our website.

Know that the vault is not the only way you can get your documents to us prior to your meeting. If you mail in your documents within a reasonable time or drop them off at least two days before, that works too!

Dania Medina

How can I save money this Tax Season?

GOLD

SILVER

BRONZE

Our simplest tax filing service for those that want a professional tax return done on time. It’s a flat fee of \$295 and includes one state return electronically filed without appointment, advice, or commentary – just a tax return.

People with the following can’t do Bronze level: Landlords, farmers, business owners (small or big), international income or assets, as well as multi-state.

This level is 85% of our clients. They want Bronze with the face-time, advice, and review. At this level the pricing does vary by professional and complexity. For example, a landlord would pay about \$85 per rental property more than someone without. This service starts at \$495 and will average around \$650-\$700.

This is Silver plus ongoing communication ability and a tax plan review/analysis. These clients typically are (non-incorporated) small business owners who need more help with something. We do a mid-year to late 3rd quarter analysis to forecast tax outcome, provide tax planning, open enrollment planning, and will not charge for questions during the year. These people tend to spend around \$1500+ a year.

Tax Deadlines	Inflation Bill	MN PTE	Essential Tools
Add this to your calendar	All you need to know	Pay by December 31	By Dania Medina
Know when to file your personal or business taxes, as well as when to submit your estimated payments and more! Page 2	On August 16, 2022 the "Inflation Reduction Act of 2022" was signed into law by President Biden. How does that affect you? Page 2	1. Every dollar gets credited to personal returns 2. You get to reduce your federal taxable income by your share of the PTE tax. Page 2	Meet the Team
			Contact Info.

Dania Medina

Tax Deadlines

Add this to your calendar and never miss a date!

January 16 th , 2023	Estimated Tax Payment for 4 th Quarter Due Date
January 31 st , 2023	W-2s due to employees by this date
	1099 due to contractors by this date
	Only contractors who are sole proprietors, unregistered whom you have paid over \$600 for services, during the current tax year need to get a 1099
March 15 th , 2023	File S-Corp and Partnership returns.
	File Extensions for S-Corps and Partnerships tax prep. (6mo.)
	State Taxes Due Date (Penalty after this date)
April 17 th , 2023	File Individual, C-Corps, Trusts & Gift Returns
	File Extensions for Individual, C-Corps, Trusts & Gift tax prep. (6mo.)
	FED & State Taxes Due Date (Penalty after this date)
	Estimated Tax Payment for 1 st Quarter Due Date
May 15 th , 2023	File Non-Profits returns
	File Extensions for Non-Profits tax prep. (6mo.)
June 15 th , 2023	Estimated Tax Payment for 2 nd Quarter



MN PTE Payment by December 31st

As you may (or may not know) on your personal, you are limited to \$10000 of S.A.L.T deduction on your Schedule A. Basically, that means when you pay real estate taxes on your home, vehicle license tabs and MN Income taxes, you are capped at \$10000. You probably pay a lot of MN taxes and get no federal deduction benefit. It is a double tax!

Minnesota finally did something to benefit S corporations and Partnerships and created an entity level tax. This is a tax paid by the company and not you personally. Once the company pays this tax (cash filers) or accrues tax (accrual filers) you will get a federal deduction at the entity level (i.e. this reduces your federal taxable K-1!). Then, every penny you paid at the entity level is given to shareholders as a pre-paid tax at their percentage of ownership on their personal tax return. If you own 100%, then you get it all.

So, two important take-a-ways:

- (1) Every dollar gets credited to personal returns
- (2) You get to reduce your federal taxable income by your share of the PTE tax.

Congrats, you have bypassed the S.A.L.T. limitation of \$10000!

FAQ:

How much do I pay? You will pay exactly 9.85% of your profit calculated before adding the PTE tax deduction.

How do I Pay it? You must login to MN E Services and pay it through your online business account. This is not an Individual income tax. Please review the attached PDF on how to make that payment.

When is it Due? This tax is due 3/15 and Not 4/15 like normal income tax

How much will I save doing this? You will save an amount equal to your margin tax rate on the federal return times the amount you pay for PTE. (i.e. 24% bracket saves 24% of the PTE payment)

Jonathan Wells, President

Inflation Reduction Act of 2022

On August 16, 2022 the "Inflation Reduction Act of 2022" was signed into law by President Biden. One of the provisions of this legislation that received a significant amount of media attention was the additional \$79.6 billion in funding to the Internal Revenue Service (IRS). While the republicans fought against this and will try to undo it, there is little they can do in the future.

It is important to understand what this means to you. There is no way to know exactly how this will impact US taxpayers, it is safe to say there will be an exponential amount of Federal tax audits in the coming years. From my perspective doing tax work for 25 years, I have seen less than 10 federal tax audits over that time. When such a lack of oversight occurs, I have noticed clients, year-after-year becoming more aggressive in tax write offs and less focused on documentation to prove the write-off is legitimate.

My job is to provide wisdom and to help clients not learn the hard way. It is imperative that we all sharpen up our documentation procedures for the future. I am talking about 3rd party receipts; those little pieces of paper that will fade over time. If you are taking tax deductions, you must have accurate proof and logs to support the positions. Categorize them by month, by vendor - have them digitally scanned, or stored in a shoe box - just have them. When you use your vehicle for work, make sure you have a proper log to support the deduction. As tax accountants, it's not our job to ask for proof, but we do want to keep our clients from trouble. If I was to tell you that you will have the most stressful and expensive financial audit of your life in three years but it is preventable by acting today, would that be enough motivation to change?

Make sure you talk with your tax advisor about it. Audits are coming folks, and they are coming in a big way. Accept the wisdom, make changes to your paperwork situation today!

WSH Tax Accountants & Business Consultants

7300 France Ave South, Suite 215,
Edina MN, 55435
Monday - Friday 8-5pm
Accountant hours vary
Meetings by appointment only
Please call in to make your appointment!
Visit our website: WWW.WELLSTAX.COM
Call us at 952-881-5343
Emails us at frontdesk@wellstax.com
Jamie@wellstax.com
Jonathan@wellstax.com
Dan.weiss@wellstax.com
Dave@wellstax.com
Kyle@wellstax.com
Rashid@wellstax.com
Jerry@wellstax.com

Webinar

Reviews

Access Vault

Forms

The most essential tools for you this tax season!

Access the Smart Vault by visiting our website, and find any and all spreadsheets and forms under the "forms" tab in our website! As always, please don't hesitate to call if you have any questions!

Pictured, from left to right, David Armstrong, Kyle Gerlach, Jamie Braucks, Jonathan Wells, Dania Medina, Rashid Abdi and Dan Weiss.

Meet the Team

The WSH Family Grows

This tax season expect to see some new faces in the office! We are welcoming Kyle and Rashid to the team. Alongside the rest of us, Kyle and Rashid have been hard at work in preparation for what we expect to be the busiest season yet. Kyle is our new apprentice, recently graduated from St. Paul College, and has become a key player with our new bookkeeping service. Rashid comes from a longtime career with H&R Block and will be working hand in hand with Jonathan on the tax preparations for our business owners.

