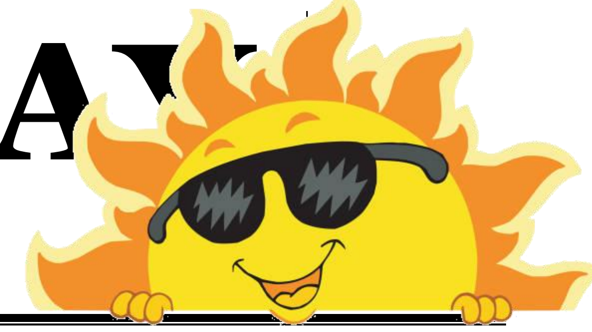
Monday, July 1st 2024
Issue #Q224

WSH TODAY

Latest news and bulletin updates



Jonathan Wells, President

The Latest Updates

Another wonderful tax season is behind us and we have to start thinking about the future. With any election years, we want to be mindful of the potential changes that can occur after the election. Typically, an election year is a lame duck session without anything taking place, but be mindful of the things to come. The Trump-era tax cuts, which were enacted through the Tax Cuts and Jobs Act (TCJA) of 2017, included several provisions that are scheduled to expire or phase out over time. Here are some key aspects of the tax cuts that are set to expire or change starting in 2025:

Individual Tax Provisions

1. **Individual Income Tax Rates**: The TCJA reduced individual income tax rates across various income brackets. These reduced rates are currently scheduled to expire after 2025. If no further legislation is passed, tax rates would revert to their pre-TCJA levels.
2. **Standard Deduction**: The standard deduction for individuals was nearly doubled under the TCJA. However, this increase is also scheduled to expire after 2025, potentially reverting to lower levels if not extended by subsequent legislation.
3. **Child Tax Credit**: The TCJA increased the Child Tax Credit (CTC) amount and expanded eligibility. This expansion is scheduled to revert to lower levels after 2025 unless Congress acts to extend or modify the credit.
4. **Personal Exemption**: The TCJA eliminated the personal exemption, which was a deduction taxpayers could claim for themselves, their spouse, and dependents. This change remains permanent and does not revert after 2025.

Business Tax Provisions

1. **Corporate Tax Rate**: The TCJA reduced the corporate tax rate from 35% to 21% starting in 2018. This rate reduction remains permanent and does not expire.
2. **Pass-through Business Deduction**: The TCJA introduced a deduction for certain pass-through business income, allowing qualifying businesses to deduct up to 20% of their qualified business income (QBI).
3. **Bonus Depreciation and Expensing**: The TCJA temporarily increased bonus depreciation and allowed for immediate expensing of certain capital investments. While these provisions are scheduled to phase out gradually after 2022, they do not specifically expire in 2025.

Estate and Gift Tax

- **Estate and Gift Tax Exemption**: The TCJA doubled the estate and gift tax exemption to approximately $11.7 million per individual (as of 2021), adjusted for inflation. This increased exemption amount is scheduled to revert to lower levels after 2025.

The expiration of certain individual tax provisions under the Trump tax cuts in 2025, such as the reduced income tax rates and increased standard deduction, could lead to higher tax liabilities for some taxpayers if subsequent legislation is not enacted to extend or modify these provisions. Businesses, on the other hand, generally benefit from permanent rate reductions and deductions introduced by the TCJA. As with any tax legislation, the future landscape will depend on political decisions and economic conditions closer to the expiration dates. Taxpayers and businesses should stay informed and consult with your senior tax advisor to plan accordingly based on potential changes in tax law.

It was an AMAZING Tax Season!

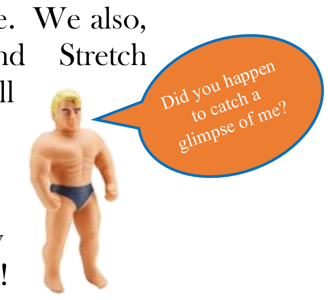
Thank you for being part of it! By Dania Medina

We did it folks, we survived what has been the busiest year yet, thanks to you. We want to express our most sincere gratitude for sticking with us through the years, despite the changes!

This tax season, not only did we encourage the use of the vault even more, but we also introduced the Outsourcing team. Are we international? Maybe! We have a small group of tax prep experts in India, that have joined our team to help us in our journey of growing our business while staying efficient and providing quality service. You probably noticed our 2023 tax engagement this year was sent twice, once in the mail with your organizer and a second one via Docusign a few weeks before your meeting. Thank you to all of you who reviewed, signed, AND uploaded your documents on time – You are the true winners of the season!

The amount of hours per day required to make sure we get all of our clients taken care of can really impact the mood of the office, but I'm happy to share that our office kept it cool! Ha! If they were going to miss out on sleep, they made up for it in prioritizing fitness and nutrition. Seriously, I think we're the healthiest we've ever been.

Also, to help keep the mood light, for the second year in a row, we had our fun facts count down, as you can see in the wall behind us. 85 days of facts, and quirky ways to make the long hours bearable. We also, accidentally, introduced "Find Stretch Armstrong" to our daily tasks, all taking turns to hide and find him. Even some clients joined in the fun! All in all, that's a wrap on another great year. Happy Summer days! Until next time!



New 2024 E-Bike Credit!

By Dave Armstrong

e-Bicycle Rebate for Individuals! *Trap Horn*

Get the most up to date information on the e-Bike credits on the MN Dept of Revenue website:
https://www.revenue.state.mn.us/electric-assisted-bicycle-e-bike-rebate

Here's what we know! MN is beginning a $2M program for residents to reduce the price to buy a new e-bike at eligible retailers. It is a 50-75% rebate up to $1500 of buyer's qualifying expenses. A qualifying e-bicycle expense includes accessories. The details for qualifying bicycles and list of accessories is quite long and can be found in the "Qualifying e-Bikes and Accessories" section on the MN DOR site above. The percentage of rebate is determined by your income, from 50 - 75%. You cannot be disqualified based on your income, only capped at 50% of the e-bikes cost. There is a useful calculator on the MN DOR site to determine what percentage you will qualify for. Both Taxpayer and Spouse will be able to apply for the credit.

Important Dates

June 5th @ 11AM CT: Application process opened online **BUT** the system crashed- they are currently working on reopening the application site. If interested, keep a close eye to when they will reopen as they will close the portal when they've received enough applications! *Personal information and AGI from Line 11 of your 1040 tax return will be required.*

Pending new updates but as of know:

July 1st: Approved Individuals will receive rebate certificates – *must be used within 2 months of receipt.*

Oct 1st: If money is left in the program after this day, more individuals will receive rebate certificates up to the $2M program limit for those who had already applied and did not receive a rebate certificate.

2025: The program will be refunded for another $2M. *No Specific dates yet.*

Tax Deadlines

Add to your calendar!

Know when to file your personal or business taxes, as well as when to submit your estimated payments!

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ERC News

We are still waiting.

It's a time to practice patience! It's coming, it's just taking the long route!

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Buckle up for more changes?

Did you get switched to Bronze? – Also, we've outgrown our office! We're looking to move!

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Tax Planning 2024!

By Dania Medina

Ready or not, here we go again! Going over some pointers on making your tax planning meeting a success!

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Dania Medina

Tax Deadlines

Add this to your calendar and never miss a date!

June 17th, 2024 ——— 2nd Quarter Estimated Tax Payment due

September 16th, 2024 — 3rd Quarter Estimated Tax Payment due
File S-Corp and Partnership returns that have been extended

Sept. 30th – Dec. 20th —— Business Tax Planning with WSH (2hr meetings)

October 15th, 2024 —— File Individual, C-Corps, Trusts & Gift Returns that have been extended.

November 15th, 2024 — File Non-Profits returns that have been extended.

January 15th, 2025 ——— 4th Quarter Estimated Tax Payment due

January 24th, 2025 ——— Last day to request 1099 preparation without added Rush fee

January 31st, 2025 ——— W-2s & 1099s due to employees & contractors

Yes, we are still waiting on ERCs!

The wait might be worth it!

It's coming folks, it's coming! We have clients that have been waiting over a year to receive their money, and others who've already received it, but know, it does in fact come! Unfortunately, we don't have a way to get an update on the status of your application.

QBO Webinars

Webinars have re-started, every other Friday at 1pm central via zoom meeting. A schedule was sent, attached to the last reminder email sent, with the webinar dates for this summer. Ask us if you didn't get yours! Join us and bring your questions!

Did you get switched to Bronze?

This past tax season you may have been introduced to the **Bronze** level during your tax meeting. This means that your tax situation is simple enough that we can save you dollars by removing the in person or zoom meeting with the tax preparer. So, what does this look like for you next Tax Season? Since we've likely been doing your taxes for a few years, the transition should be pretty smooth. You'll still get the organizer and engagement in the mail at the beginning of the year, and we'll still request you to mail in, drop off or upload your documents to the vault as soon as you have them all. The only caveat to bronze is that there will be very little to no communication with the tax pro, and we'll request you to upload before April 1st, to avoid possible extension!

How to prepare for the meeting

Is it a little too early to be talking tax planning? Maybe, but the better prepared you are, the better your ROI will be for the meeting. First and foremost, what do you need to bring?

- Balance Sheet and Profit & Loss statement Year-to-date, fully reconciled. (If we do your bookkeeping, one less step for you! I know, so nice right!?)
- A projection of what your numbers will look like for the rest of the year, be it in chart form, or scribbled on a napkin, just know how much more you expect to come in, or out by the end of the year.
- The most recent paystub for you and your spouse.
- Any supporting documents to major financial changes in the year! Got an inheritance? Sold or bought property? Expecting a major bonus? Let us know!
- Finally, allow yourself 2 hrs for this meeting. The first hour is business focused and the second, individual focused.

Stay tuned for more info on this year's Tax Planning season closer to the date. We start the season on September 30th! See you then!

A little of this, a little of that!

Buckle up for more changes to come!

By Dania

We have been blessed over the years to see how we've grown and keep growing! We expect to grow, but the rate that we have been growing at is what's been both humbling and rewarding. The time has come to start looking for a new office space that would accommodate more team members and, of course, more clients. Now, we're not necessarily in a rush to move, but we are aware it's closer than we think. That being said, we might still have another year at our Edina office. We are hopeful to find the right place, at the right price and at the right time.

As we look to expand our office space, we also look to grow our team. On the one hand, our current team keeps on working on staying up to date with the most current tax laws and on the other hand, we are looking for new tax pros to join the family. In the meantime, while we are looking forward to these changes, we are happy to keep doing what we do best. We'll keep you posted!

Some Tax Season Shenanigans

WSH Tax Accountants & Business Consultants

7300 France Ave South, Suite 215, Edina MN, 55435

Summer Office Hours

Monday – Thursday 8-4pm
Holidays Closed.
Accountant hours vary.
Meetings by appointment only.
Please call in to make your appointment!

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