

# Tax Time

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We hope this letter finds you and your family staying healthy. On that note, we are asking if you feel sick on your scheduled day, please re-schedule. We are very busy and can't afford to get sick.

The IRS will NOT enforce the new rules for tax year 2023 for 1099-K requirements. Instead, third-party payment processors may operate under the prior rules, only sending 1099-K forms to users who received over \$20,000 in payments or 200 transactions. 2024 will serve as a phase-in year, with the 1099-K reporting threshold to be \$5,000.

Energy efficient home improvements previously could only be taken once in a lifetime per allowable expense. Starting with 2023 you will be able to take it in every year you do these specified improvements and they are allowing it to be used for second homes also. There is a limit on the amounts. If you are doing any energy efficiency improvements to your first or second home you will want to make sure that they meet the requirements to take the credit.

For 2023, the elective deferral (contribution) limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is \$22,500. For persons age 50 or older in 2023, the limit is \$30,000 (\$7,500 catch-up contribution). The catch-up contribution limit for employees aged 50 and over who participate in SIMPLE plans is \$3,500 for 2023. You can make 2023 Tax year IRA contributions until April 15, 2024. The contribution amount for 2023 is \$7,000 with a catch-up amount of \$1,000 for people age 50 and over.

The standard deductions for 2023 are as follows:

- Single and Married Filing Separately - \$13,850
- Married Filing Jointly - \$27,700
- Head of Household - \$20,800

If you take mileage for your business the rate for 2023 is \$.67.

We are scheduling all appointments on our online scheduler on our website. If you have any further question's or don't use a computer you can contact us via phone. We look forward to seeing you all!

Thank you!

Shelly and Abigayle Obrzut