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Dear Client,

The year of our Lord 2022 is now complete. Our incoherent Caesar is once again demanding that we fill his coffers with our hard-earned treasure. He is also redistributing the treasure of generations yet to be born. I suppose we should thank God that we no longer are required to travel on a donkey a hundred and fifty miles in the desert with our pregnant betrothed so that we can be counted and be taxed. Dedra and I hope your year went well and if not that you find peace in your situation and trust that things can get better. Please find solace that there is a better place than our worldly earth. The Babe in the manger will lead the way.

As our feeble Caesar plays “robinhood” with the monetary fruits of our labors, Dedra and I will once again attempt to reduce that pillage. We attended numerous continuing education seminars and webinars, she more than I, in an attempt to make sense of our current tax code. Page one and two of this newsletter shows the 2022 TAX FACT SHEET. Page three describes our OFFICE POLICIES. Page four states our PRIVACY NOTICE and other attempts at increasing our security. The pandemic payments should have been accounted for and reconciled on the last two years income tax returns. We should not have to deal with those this year and many of the credits for this China Flu have expired for 2022. Page five details the information that tax preparers are forced to collect in order for you to get credit for your children. Dedra and I will scan these documents and give the originals back to you. Page six explains our challenges with communications and transferring current and previously filed income tax returns to you.

We encourage you to read this newsletter and the pages that relate to you. Your diligent preparation for your tax appointment will be appreciated. If you ever wore the uniform that defended this nation or if you are currently serving in that capacity we will reward you for your service by reducing our tax prep fees on a case by case basis.

If a person is not grateful he will find it difficult to be truly happy. As Americans we have so much to be grateful for and yet ingratitude is pervasive. During these remaining twelve days of Christmas please take stock of your blessings and remember the ultimate sacrifice that the Babe in the manager suffered for all of us. Have a healthy blessed 2023.

Sincerely,

Barry and Dedra Lindenbusch

2022 TAX FACT SHEET

. . . . **INCREASED STANDARD DEDUCTION:**

Married Filing Jointly	under 65	$ 25,900
Married Filing Separately	under 65	$ 12,950
Head of Household	under 65	$ 19,400
Single	under 65	$ 12,950

The above standard deduction for those who are either 65 or legally blind is increased by $1400 or $1750 per person depending on filing status.

. . . . **10% TAX BRACKET:** is built into the tax tables for the very first dollars taxed. $10,275 for single and married filing separate, $14,650 for head of household and for married filing joint the amount is $20,550.

. . . . **THE TAX BRACKET FOR 2022:**

Married Filing Jointly — you leave the 12% bracket and enter the 22% when taxable income hits $83,550.

Married Filing Separately — you leave the 12% bracket and enter the 22% when taxable income hits $41,775.

Head of Household — you leave the 12% bracket and enter the 22% when taxable income hits $55,900.

Single — you leave the 12% bracket and enter the 22% when taxable income hits $41,775.

. . . . **THE PERSONAL EXEMPTION:** Is lowered to zero for tax years 2018 thru 2025.

		Jan-June	July-Dec
. . . . **THE BUSINESS MILEAGE:**	rate per mile for 2022	58.5 ¢	62.5 ¢
. . . . **THE MEDICAL MILEAGE:**	rate per mile for 2022	18.0 ¢	22.0 ¢
. . . . **THE CHARITABLE MILEAGE:**	rate per mile for 2022	14.0 ¢	14.0 ¢

. . . . **THE SELF EMPLOYED HEALTH INSURANCE:** deduction for 2022 is 100% of your premiums or net earnings from business whichever is lower. This deduction is an adjustment to income and does not reduce FICA & Medicare. Also available to Sub Chapter S shareholders who own more than 2% of the Corporation.

The "Lucky One Percenters" 2022 income redistribution hits at:

. . . . The top marginal income tax bracket for married taxpayers with Adjusted Gross Income (AGI) over $647,851 is 37%. For single taxpayers the Adjusted Gross Income threshold is $539,901.

. . . . The long term capital rates for AGI and filing status is 20%. For AGI on married taxpayers this capital gain rate of 20% starts at $517,200 and for single taxpayers starts at $459,750.

. . . . There is no Phase-out on itemized deductions.

. . . . The 3.8% tax on net investment income will hit married taxpayers with MAGI's (modified adjusted gross income) of $250,000 and single taxpayers with MAGI's reaching $200,000, these thresholds also include the to the 0.9% Medicare tax on earnings. These two new taxes were instituted with the Obamacare legislation and do not appear to be indexed to inflation.

. . . . The exemption amount for alternative minimum tax (AMT) is $118,100 for married taxpayers and $75,000 for single and Head of Household taxpayers and $59,050 for married persons filing separately.

Under the SECURE Act (RMD) Required Minimum Distribution commence on April 1 of the calendar year following the year you reach age 72 (previously 70 ½). This starts after December 31, 2019. The RMD was waived in 2020 due to Covid-19 legislation, but not waived for 2021 and 2022.

With the exception of the ten percent bracket, the remaining six brackets have been reduced either two or three percentage points for 2022 compared to 2017 and earlier.

The reconciliation for the three (3) China Flu stimulus checks should have ceased after filing the 2020 and 2021 income tax returns.

See also on our website information on: 1099 Misc Alert
Click on Useful Tax Information Employee VS Independent Contractor

OFFICE POLICY

Lindenbusch Accounting and Tax Service, Inc. is very small and we wish to remain that way. During the income tax season which starts in mid-January and runs through mid-April, unless extended, our time is a precious commodity. We've grown to the point where we need to share some guidelines with you, our valuable client. We appreciate your trust in us and hope that with these few suggestions our accounting and tax practice can operate more efficiently to better serve you. THANK YOU.

OFFICE HOURS (during tax season)

8:30 am to 7:00 pm Monday through Friday
8:30 am to 3:00 pm Saturdays after 3 pm by appointment

OFFICE HOURS (outside of the tax season)

By appointment only. To keep fees reasonable, we do not employ a secretary for the entire year.

APPOINTMENTS

Please ring the doorbell once and enter, someone will show you in. Try to be on time or 5 to 10 minutes early. If you are going to be a little late, a quick phone call would be appreciated. To reduce communication errors our secretary has been asked to repeat the appointment time, day of the week and date. To help facilitate clear and concise appointments, we suggest that you jot down your appointment. Please refer to our postcard. We do not make reminder calls. If children need to accompany you we have TV and books/magazines in the waiting room. **NO APPOINTMENTS WILL BE MADE BY EMAIL.**

DROP-OFFS

Returns dropped off are WELCOME. We ask that you include a daytime, evening and/or cell phone number(s) on our short drop-off sheet. Tell us the best time to call you.

INVOICING

If your return is dropped off and picked up later or if it is mailed back to you by us, our tax prep invoice will always be in the file copy folder in the left side pocket (when opened). Prompt payment would be appreciated, regardless of whether return is dropped off or you sit for an appointment.

TELEPHONE

Our secretary will be here from 8:30 am to4:30 pm Monday through Friday starting mid-January. We would prefer that she make the appointments during those hours. To utilize her even more we ask that as many phone calls, return drop-offs and return pick-ups as possible occur during those hours. Advance appointments (November, December and January) will be taken by either Dedra or myself. Simple questions will be forwarded to one of us and we'll try to call you back as soon as possible. Limited tax planning can be done during your income tax appointment. In depth tax planning will need to be done from May through December. IF REQUESTED WE CAN SEND YOU A PERSONAL TAX ORGANIZER BASED ON LAST YEARS TAX INFORMATION. You can see at a glance all your data from last years return. If interested call to get this tax organizer prior to filing your taxes.

PRIVACY NOTICES

The Gramm-Leach Bliley Act and the Federal Trade Commission (F.T.C.) restrict the disclosure of personal financial information by us and those in our employ. Because we produce a "financial product or service" Uncle Sam is mandating that we supply you with a notice of our privacy policy. Please refer to our new website for additional privacy information.

Lindenbusch Accounting and Tax Service, Inc. has never and will never sell or give away in part or in total our clients tax returns, information, client lists, or addresses. Your confidence in us is important and we want you to know that your personal and account information is safe. If you have any questions or concerns, please contact us.

In fact we're not that crazy about faxing returns even with the consent of the client. That return can be viewed by anyone on the other end. We furnish a copy of your tax return at the time it is prepared. **If you think that you will need an extra copy please inform us at that time and we'll throw another copy in for no extra charge.** If at a later date you need us to make a copy to either mail, e-mail, pick up or fax a fee of $30.00 per return will be charged. I really want to discourage faxing tax returns for obvious privacy reasons. Please keep the Grey folder containing the CLIENT FILE COPY of your return that we make for you. That copy has your W-2's and other source documents attached. We have the capability to E-MAIL returns to the taxpayer(s). **However due to security reasons we will not email to a third party.** We will only email to the email address provided to us at appointment time. If you drop-off or mail your information to us, please make sure to provide us with your current email address.

How long should you keep your records? I'd keep for 5 years documents such as receipts, statements, check registers and computer hard copy. Your actual tax return I'd keep much longer, it has a copy of your W-2's/1099's and often your working papers. 50 years of tax returns only take up 2 cubic feet. Any asset that you currently own, if upon sale or liquidation would create a taxable event, you need to keep the documents that show your cost basis for that asset. Depreciation schedules would fall into this category.

If you responsibly carry a weapon, you and your firearm ARE welcome in our office. This castle (your tax info) is protected by the 2nd amendment and our willingness to exercise that God-given right. We are not a gun-free zone.

There are sheep, wolves and sheepdogs. Which one do you choose to be?

There are TWO TIERS of documents that the preparer must receive and retain in order to properly prepare and e-file your return. WE WILL NEED AT <u>LEAST ONE ITEM</u> FROM EACH TIER.

TIER ONE
PROOF OF CHILD(REN) RELATIONSHIP

. . . . . Social Security Card
. . . . . Birth Certificate
. . . . . Adoption Papers

TIER TWO
PROOF THAT CHILD(REN) LIVES WITH CLIENT
Documents that have child(ren) names and address

. . . . . *School records, school letter, report card
. . . . . Landlord or property records Head of Household (H.O.H.)
. . . . . Real Estate tax receipt (H.O.H.)
. . . . . Utility bill (H.O.H.)
. . . . . Health care provider statement
. . . . . Medical records
. . . . . Childcare provider statement
. . . . . Placement agency statement
. . . . . Social service records
. . . . . Place of Worship statement
. . . . . Employer statement

We need to collect tier two documents each and every year on each child, two or three documents is suggested in Tier Two. Lindenbusch Accounting and Tax Service, Inc. need these statements/documents. We are required to retain this information to ensure that we practiced due diligence for the claiming of:

1. Earned Income Credit
2. Child Tax Credit and Other Dependent Credits
3. Education Credits
4. Head of Household (H.O.H. started in 2018)

If we do not acquire this documentation the above tax benefits will be disallowed by the IRS.

* In addition to school records that anchor a college age child to your residence, we will also need Form 1098-T AND your dependent students tuition payment transcript for last year as well as the cost of books. We will need this information to file for any tuition credits or education deductions.

It is a sad fact in today's world we have cyber-criminals running rampant. Until our citizens force our non-responsive government to treat them as they should be treated, then we will have much more of it. We as a country need to inflict crushing penalties on domestic and foreign "hackers/thieves". Their crimes include, but are not limited to; identity theft, false filing of entire tax return, sale of stolen social security numbers, stealing children's social security numbers, bank and credit card fraud, compromising medical records, etc, etc.

Dedra and I have taken many measures including acquiring cyber insurance to mitigate any breach. No one is out of reach from these criminals. Even the IRS, the military, state governments and the largest companies are getting hit. If your return is e-filed rejected for identity theft or any other reason that is not the fault of Lindenbusch Accounting & Tax Service, Inc., there will be an additional fee. For this reason we are charging a fee for e-mailed, mailed or copies of any tax return other than the original file copy that you received at tax time. **That charge remains $30 per return**. Remember, for e-filing the original there is no charge and if you want/need an extra copy of your income tax return during your annual tax appointment there is no charge. So please take care of your file copies and put them in a safe accessible place. Thank you.

As mentioned in past-years cover letters our practice experiences phone disruptions. Many disruptions are due to high volume client contact. Gina, our secretary, struggles to ensure that clients are served in the order they arrive (in person or by phone). Dozens of times I hear the phone and door bell ring simultaneously. She will either put you on hold or ask the arrival to have a seat in our waiting room. Please be patient with us and our possible busy signals. If you go to voicemail (answering machine) leave a message. The other problem we are experiencing as well as businesses nationwide, are the unsolicited sales or "robocalls." The US has seen an explosion of this type of intrusion. Caller ID is worthless because these vermin have learned to "SPOOF" (i.e. appears as though it is your neighbor or acquaintance calling you from your area code and prefix). At 8 pm one summer evening Dedra and I got 3 calls upstairs from <u>OUR</u> business number downstairs. This is infuriatingly creepy. I've written the president both US senators and my US congressman. Senate Bill 151 sponsored by Pallone/Thune and was passed and signed by President Trump. Lets pray it works.