

2023 Standard Deduction

\$27,700 for married, filing jointly

\$13,850 for single filers

Organizers

Next year, we will be emailing all organizers unless you let us know specifically that you prefer having it mailed.

DEPRECIABLE PROPERTY

For 2023, the maximum 179 depreciation deduction is \$1,160,000. For 2023 80% bonus depreciation is available on qualified assets. This drops to 60% bonus depreciation in 2024

Business Mileage Rates

2023 – 65.5¢/mile

2024 – 67¢/mile

Tax Rates Increasing in 2026

One additional item worth mentioning is the lower tax rates for individual taxpayers are set to expire at the end of 2025 and increase in 2026 if Congress does not extend them. These lower rates could create an opportunity to discuss converting some IRA accounts to ROTH IRA accounts or a few other techniques to recognize more income at the lower rates now to avoid paying potentially higher income tax rates in the future.

FROM WEST, TALBERT & TALBERT, CPAs

Dear Friends,

As 2023 has ended and we start 2024, we would like to begin by thanking our clients for trusting us with your tax and accounting needs and for sending us referrals. We appreciate you working with us as we continue to grow. 2023 was a very good year and we look forward to an even better 2024.

A couple of major developments have occurred in 2024. One of them was passed at the state level regarding necessary filings for certain Texas franchise tax returns and another was passed federally in response to some of the COVID regulations concerning identifying beneficial owners of most corporations, limited partnerships, and LLCs. More about these two items are addressed below under new legislation.

On a personal note, Addalynn just turned three and we took a family vacation to Disney World where she had dinner with Mickey and Minnie! She is growing so quickly and continues to bring us so much joy!

Penny & William Talbert

New state and federal legislation

State legislation concerning **Texas Franchise Tax Returns**

- If the entity has annualized total revenue of less than \$2.47 million then the company is no longer required to file a no tax due report with the state. However, the state still does require the entity to file a public information report or ownership information report.
- West, Talbert & Talbert CPAs discussed several options and decided that we are going to continue filing the required Texas Franchise form for our clients at the same rate unless you let us know that you would prefer to file the public information report yourself this year and going forward. Please send us an email, call us or let us know your preference when you drop off your information.

Federal legislation concerning **Beneficial Ownership Report**

- The BOI is required to be filled out and submitted online for most corporations, LPs, and LLCs. The form is fairly straightforward. **All qualifying entities that have been in existence prior to 2024 must submit in 2024.** Failure to file this report has substantial civil and criminal penalties including potentially up to two years imprisonment. If you need assistance in preparing the beneficial ownership information form we suggest you speak to an attorney.

This is the last year we will be mailing the newsletter. It will be posted on our website around January 15.

New Employee

We are happy to announce a welcome addition to our team. Connie Smotek has been working part time for us and, starting February, she will be on board full time. She has passed the CPA exam and only needs a few more hours of experience to become an official CPA.

Retirement Contributions Limits

For 2023 contributions to **Roth** and **Traditional IRAs** cannot be more than \$6500 (\$7500 if you are 50 or older) and increases to \$7000 \$8000 if 50+ in 2024
Simple IRA contributions are limited to \$15,500 (for 2023 and \$19,000 if you are 50 or older and increases to \$16,000 or \$19,500 for 50+ in 2024.
 Contributions to **SEP** are limited to \$66,000 for 2022 and \$69,000 for 2024.

CUT OFF DATE

The cutoff date for April 15 filing is **Friday, March 22**. If you would like for us to estimate your extension payment, please have the information to us by April 8.

1099s

You can now file your 1099s from the IRS website free of charge. There is a registration process which does require a processing period; so, you may want to keep in mind for 2024.