

Dear Client,

Monday, January 13, 2025

Happy 2025, the first quarter of this century, can you believe it? I'm sure you already know what this is about, it's tax time! That means you're probably a long-time client so Thank You for your business!

Changes in Tax Law? Big improvements to the credits for energy efficient home improvements, like heat pumps, insulation, windows, etc. The separate credit for biofuel like pellet and wood stoves goes up to \$2,000 per year. The credit for solar and wind chargers is 30% of the cost, and now batteries can be included. You can now get up to \$2,000 back on heat pump central air/heat systems. The electric and hybrid vehicle credit is enhanced & includes some used. Up to \$7,500 for new; \$4,000 for used.

In case you received a form 1099K, reporting income from online selling, don't panic, send it to us.

Reminder: Check out our Client Portal (Canopy). Use the portal to send us files and documents, to pay your bill with us, and to review and print the copies of your tax returns. This saves the hassle of sending "records release" forms if your banker needs copies, etc. You will have access to your copies anywhere you can go online. To reach the portal, go to our website: www.nicholsaccountinginc.com and click the "Canopy Login" button on top or right-hand side.

PLEASE NOTE: If you are not local (you won't be picking your tax returns up in our office), we will not automatically mail you a paper booklet with your tax return. We will post copies of your tax returns on our client portal. If you wish to have a paper booklet, please ask, we'll send you one at no charge. If you mail documents to us, we'll mail the original copies back to you. If they come by fax or email, we will not mail them back because you have the originals.

If using your camera to send us documents, please use a scanning app so that we can easily print and store them. Please contact us if you would like a personalized tax information organizer.

Following is a list you should review in preparation for tax time:

1. ALL OF YOU: Please bring all Forms W2, 1099, Social Security etc., along with your other tax information.
2. Please fill out the enclosed Health Insurance Worksheet. IMPT: If you received a Form 1095 regarding your Marketplace health insurance, please be sure we get a copy!
3. For those of you with children at home, the Earned Income Credit and Child Tax Credit laws require that we get signed proof from you that these children actually lived with you. (worksheet enclosed).
4. Please sign the enclosed "Engagement Letter" and return it with your tax information.
5. For those of you who have rentals, farms or businesses, and paid > \$600 rent or services, you may have received an email from us with a worksheet to fill out so that we could prepare 1099 forms. IMPT: These 1099 forms are due January 31, with severe penalties for late or failing to file!!
6. College and Education Expense: Please let us know if you or your child have these types of expenses. We need your form 1098 and a record of expenses and payments from the school for this great tax credit.
7. Those of you deducting vehicle expenses: Please jot down year-end odometer readings. (65.5c/mi 2023)
8. Charity: IRS says you must have a receipt in hand by the time you file your tax return.
9. Foreign Bank Accounts: If you have any interest in an account in a foreign bank, we must inform the IRS. Call or email if you have any questions.

IMPORTANT: If you wish to avoid filing an Extension Form, we need your complete information by:

February 20 - Corporations, Partnerships and LLCs (due March 15)

March 20 - Individual Returns (due April 15)

If the deadline is approaching and we have not heard from you, we may file one to be sure you're covered.

We have found that in person appointments are not usually necessary. You can just drop off your information, put your file on the portal, or fax or email it to us and we'll call you with any questions. We do offer phone appointments.

We're looking forward to working with you again!

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