

Thanks for picking up a copy of our year-end tax strategy checklist.

We created this from scratch and review these points with our clients in person this time of year.

You need to visit with your tax adviser on anything related to your tax picture and see if they have more ideas for you. Remember,

your tax adviser is only as good as you let them be, so you must inform them of what is in your financial world so they can better advise you. We tell our clients they have to be more interested in their taxes than us if they want the best results because the action of saving taxes is all up to them, i.e., you!

**ACCEPTING NEW CLIENTS**  
**Call Coop!** *Limited to 20*  
*Ends 12/31*

**405-715-1556**

*Serving Individual  
& Small Business  
Taxes*

Must be in  
Oklahoma

**JENSON  
&  
JENSON**



**We have a favor to ask of you!** Now that we are voluntarily sharing our strategies with you, we really want you to act on this because it is the same advice we tell all our clients and, in fact, require they follow. **If you are not having your payroll and HR benefits managed by ADP, we would ask you to call my team right now.** You will be visiting with Erica or Haley, and you will be really impressed at what ADP can do for you and, we think, blown away at their pricing, especially when you call the **JJ the CPA team at ADP**. Erica and Haley will walk you through all your options and how **ADP will make your life better!** When you call them, specifically tell them you are calling because we asked you to *in this letter*. We sure appreciate you, and your trust in us! **ADP will not let you down!** Here is the direct number to Erica and Haley on my team (317) 443-9560 or schedule a call at [jjthecpa.com/adp](http://jjthecpa.com/adp)

**A WORD FROM JJ TO FELLOW TAX PRO's!** How are you? *You know I love you, so let me make your 2024 infinitely better.* Ready? Now I am asking you to take a leap of faith, but I want you to call my team at ADP as well. I know you think you don't need ADP; you have another provider, you prepare payroll for your clients, or all the excuses you want to tell me on why you don't believe me that I can make your life better! How do you ask? **Call my team at ADP, and tell them, "I am a tax pro, and JJ told me to call you and ask, "How can you make my life better?"** Let me tell you, it will start by saving you time and gaining a partner in ADP to help you in any way you need to help your clients. Listen, you know me. So, trust me. Call now. Ask them to disclose how their partnership can benefit you financially if you are open to that.

Hope to see you at one of my upcoming tax seminars! Be sure to at least attend the free ones thanks to the sponsorship of ADP! You can find these on my website, [www.jjthecpa.com](http://www.jjthecpa.com)!

Here's to a great 2024 y'all! ***I appreciate you!***

***Again, here's my team's direct contact information:***

Erica or Haley

(317) 443-9560

or schedule a call at [jjthecpa.com/adp](http://jjthecpa.com/adp)

\_\_\_ Max out retirement

Year 2023:

401K: \$22,500 or \$30,000 if age 50+

Simple Plan: \$15,500 or \$19,000 if age 50+

***Note the increase for 2024.***

Year 2024:

401K: \$23,000 or \$30,500 if age 50+

Simple Plan: \$16,000 or \$19,500 if age 50+

\_\_\_ IRA and Roth IRA:

Year 2023:

IRA: \$6,500 or \$7,500 if age 50+

Roth IRA: \$6,500 or \$7,500 if age 50+

***Note the increase for 2024.***

Year 2024:

IRA: \$7,000 or \$8,000 if age 50+

Roth IRA: \$7,000 or \$8,000 if age 50+

\_\_\_ SEP:

Year 2023:

\$66,000 Max (Requires \$264,000 in W-2 wages)

No additional amount based on age.

***Tell your payroll company to increase your withholdings for 2024.***

Year 2024:

\$69,000 Max (Requires \$276,000 in W-2 wages)

No additional amount based on age.

# ***JJ THE CPA's* General Tax Document Checklist for 2023**

## **Check All That Apply to You & Provide Supporting Documents**

### **Reporting All Income**

- ☐ **IRS Letter 2940C with "Pin" Number** (If you have one)
- ☐ Wages (Form W-2)
- ☐ Interest Income (Form 1099-INT)
- ☐ Dividend Income (Form 1099-DIV)
- ☐ Stock Sold (Form 1099-B)
- ☐ Real Estate/Home Sold (Form 1099-S)
- ☐ Assets Sold (Cars, Coins, Collections)
- ☐ Rent Income (Form 1099-Misc)
- ☐ Farming & Cattle Income (Form 1099-PATR)
- ☐ Sole Proprietor Business (Forms 1099-NEC & 1099-Misc)
- ☐ S-Corporation Income (Schedule K-1)
- ☐ Partnership Income (Schedule K-1)
- ☐ Trust & Estate Income (Schedule K-1)
- ☐ Oil & Gas Income (Form 1099-Misc)
- ☐ State Refund (Form 1099-G)
- ☐ Social Security (Form SSA)
- ☐ Unemployment (Form 1099-G)
- ☐ Gambling Winnings (Form W-2G)
  - ☐ How Much Gambling Losses (Limited to Winnings)
- ☐ Alimony Received (Divorce Before 2019)
- ☐ IRA/Annuity Distributions (Form 1099-R)
- ☐ Roth Conversion?
- ☐ Retirement Distributions (Form 1099-R)
- ☐ Required Minimum Distributions
- ☐ Educational Distributions (Form 1099-Q)
- ☐ Medical Savings Distributions (Form 1099-SA)
- ☐ Health Savings Distributions-HSA (Form 1099-SA)
- ☐ Cancellation of Debt/Mortgage (Form 1099-C)
- ☐ Other Income (Inform us, if not already above)

### **Tax Credits**

- ☐ Child Care Expenses
- ☐ College Tuition Expenses (Form 1098-T)
- ☐ Buy Electric or Hybrid Plug-In Vehicle?
- ☐ Solar or Energy Efficient Improvements to Home?

### **Tax Deductions**

- ☐ 2023 SEP/SIMPLE/IRA Payments (Form 5498)
  - ☐ \$6,500 (\$7,500 Age 50+) IRA Contributions Due 4/15/24
  - ☐ \$6,500 (\$7,500 Age 50+) Roth IRA Due 4/15/24
  - ☐ \$66,000 Individual SEP Contribution Due 10/15/24
  - ☐ Roth Conversion Done in 2023? Due Date was 12/31/24
- ☐ Student Loan Interest (Form 1098-E)
- ☐ 2023 Health Savings Contributions-HSA (Form 5498-SA)
  - ☐ \$7,750 (\$8,750 Age 55+) Family HSA Due 4/15/24
  - ☐ \$3,850 (\$4,850 Age 55+) Single HSA Due 4/15/24
- ☐ Self-Employed Health Insurance Premiums (Paid Personally)
- ☐ Alimony Paid (Divorce Before 2019 Only Applies)
- ☐ 529 Education Plan Contributions (State Deduction, if Any)
- ☐ Unreimbursed Medical Expenses Paid-Doc, Dentist, Eye, etc.
- ☐ Real Estate Taxes on Personally Owned Real Estate
- ☐ Mortgage Interest (Form 1098)
  - ☐ Did you re-finance? ☐ Did you move?
- ☐ Charitable Contribution Receipts
- ☐ Non-Cash Charitable Contribution Receipts (List FMV)
- ☐ Educators Expenses Paid (Teachers Only)

### **Miscellaneous**

- ☐ Estimated Tax Payments (Provide Amounts)

Federal	1 <sup>st</sup> _____	2 <sup>nd</sup> _____	3 <sup>rd</sup> _____	4 <sup>th</sup> _____
State	1 <sup>st</sup> _____	2 <sup>nd</sup> _____	3 <sup>rd</sup> _____	4 <sup>th</sup> _____
- ☐ Had Health Insurance Coverage (Health Insurance Co Sends)
  - ☐ Form 1095-A, Form 1095-B, Form 1095-C
- ☐ Have Stocks that Became Worthless in 2023? How much?
- ☐ Received an Inheritance in 2023?
- ☐ Make gifts to individuals? (Different from charity)
- ☐ Create a new business in 2023 we do not know about?
- ☐ **Do you have any investments in cryptocurrency?**
- ☐ **Foreign bank accounts or investments?**
- ☐ **Set up your account at [www.IRS.gov](http://www.IRS.gov)**

The is a basic list for JJ the CPA's clients only. More tax documents may be required to prepare your tax return. Informational only.

# MAJOR TAX DUE DATES FOR TAX YEAR 2024

In general, there are exceptions requiring a date to be earlier or later. There are all kinds of exceptions, but these are the general due dates. Check your specific due dates!

January 31, 2024

- Provide 2023 financials and/or
- 2023 bookkeeping to be complete, including bank reconciliations
- Provide business loan balances as of 12/31/23 to ensure the proper amount of interest expense is reported

February 29, 2024

- Provide all individual documents

January 15, 2024

- 4<sup>th</sup> quarter 2023 estimated tax payments
- Any retirement withheld from “wages” needs to be deposited into the retirement plan

January 31, 2024

- Form 1099-NEC to recipients & related Form 1096 to IRS
- Form W-2s & other Form 1099s to recipients
- Form W-3 (& related to W-2s) to IRS (if 250+ employees must be filed electronically)
- 2023 payroll Form to IRS (Form 941, 940, and typically any state Form)

February 15, 2024

- Form 1099-B, 1099-S as well as statements given as part of a consolidated reporting statement are due
- 

February 29, 2024

- Form 1096 paper filers (related to most other 1099s, most notably Form 1099-Misc)

March 15, 2024

- Forms 1120S & 1065 due (extensions)
- Employer retirement match due (unless business tax return extended)

March 31, 2024

- Form 1096 electronic filers (related to most other 1099s & 1099-Misc)

April 15, 2024 (IRS will change to April 16<sup>th</sup>)

- Form 1040 due (or extensions)
- Form 1120 due (or extensions)

- 1<sup>st</sup> quarter 2024 estimated tax payments
- 2023 IRA/Roth IRA contributions
- 2023 self-employed retirement contributions (unless tax return extended)
- 2023 HSA contributions
- 2023 529 plan contributions (in some states)

June 17, 2024

- 2<sup>nd</sup> quarter 2024 estimated tax payments

August 15, 2024 (K-2/K-3 1-month notice date)

- Partner or shareholder to provide notice to s corporation or partnership if requesting schedule K-2 and K-3

September 16, 2024

- 3<sup>rd</sup> quarter 2024 estimated tax payments
- Form 1120S & 1065 due (if extended)
- 2023 employer retirement match due (if business tax return extended)

October 15, 2024

- Form 1040, 1120 & SE retirement contributions (if individual return extended)

January 15, 2025

- 4<sup>th</sup> quarter 2024 estimated tax payments

## RETIREMENT OPTIONS

	2023	50+ 2022 Extra Allowed	Required Wages or SE Income	50+ Required Wages or SE Income	Average Annual Broker Fees	Due Date to Contribute	Employer Match
Traditional IRA/Roth	6,500	1,000	6,500	7,500	\$ 35	4/15/24	N/A
SIMPLE	15,500	3,500	15,500	19,000	\$ 50	12/31/23	3% (No Vesting)
401(k)	22,500	7,500	22,500	30,000	\$ 1,500	12/31/23	3-6% (With Vesting)
SEP	66,000	N/A	264,000	264,000	\$ 50	9/15/24 10/15/24	25% of Wages 20% Self-Employed Income

## RETIREMENT OPTIONS

	2024	50+ 2024 Extra Allowed	Average Annual Broker Fees	Due Date to Contribute	Employer Match
Traditional IRA/Roth	7,000	8,000	\$ 35	4/15/25	N/A
SIMPLE	16,000	19,500	\$ 50	12/31/24	3% (No Vesting)
401(k)	23,000	30,500	\$ 1,500	12/31/24 4/15/25	3-6% (With Vesting) Self-Employed Only
SEP	69,000	69,000	\$ 50	9/15/25 10/15/25	25% of Wages Self-Employed Income

# Jenson & Jenson

*Standard Year-End 2023 Tax Checklist (Designed for Clients Only)*

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

## **BUSINESS & INDIVIDUAL TAX ISSUES**

	<b>THE FOLLOWING RELATED TO BUSINESSES</b>
	Get ready for preparing Form 1099s for tax year 2023 by ensuring you a Form W-9 with the recipient's name, address and SSN or EIN.
	<p>In 2024, be aware you have a new reporting requirement with FINCEN (Financial Crimes Enforcement Network). This is for any business you own, no matter how small. There are massive fines for not complying timely.</p> <p><a href="http://www.fincen.gov">www.fincen.gov</a></p> <p>Starting 1/1/24, you will need to report the ownership of your business for any owners 25% or more (direct and indirect) or individuals that exercise substantial control over reporting for the company.</p> <p>If the business is in existence before 1/1/24, the deadline is 1/1/25 to report.</p> <p>If the business is created at the Secretary of State on or after 1/1/24 you must report the company within 30 days of filing with the Secretary of State.</p> <p>You will report to FinCEN the name, birthdate, address, and a unique identifying number and issuing jurisdiction from an acceptable identification document (and the image of such document) for each beneficial owner and company applicant.</p>
	<p><b>Note: To deduct anything this year:</b></p> <ul style="list-style-type: none"><li>• The check must be dated this year &amp; mailed on/before 12/31/23</li><li>• If using a credit card, it must be charged on/before 12/31/23</li></ul>
	<p><b>Did any of this occur in 2023? If yes, visit with you adviser as soon as you can.</b></p> <p><input type="checkbox"/> Purchase a vehicle?</p> <p><input type="checkbox"/> Purchase an electric vehicle or plug-in hybrid?</p> <p><input type="checkbox"/> Purchase assets?</p> <p><input type="checkbox"/> Purchase or invest in any solar equipment?</p> <p><input type="checkbox"/> Buy any real estate or improve real estate?</p>



# Jenson & Jenson

*Standard Year-End 2023 Tax Checklist (Designed for Clients Only)*

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

## **BUSINESS & INDIVIDUAL TAX ISSUES**

	<p><input type="checkbox"/> Make energy-efficient improvements to any real estate?</p> <p><input type="checkbox"/> Hire new employees that were veterans, previously unemployed or ex-felon?</p> <p><input type="checkbox"/> Is your business located in an empowerment zone, do any of your employees live in an empowerment zone?</p> <p><input type="checkbox"/> Purchase health insurance through the Small Business Health Options (SHOP)?</p> <p><input type="checkbox"/> Pay an employee for time off beyond what was considered sick, vacation or PTO?</p> <p><input type="checkbox"/> Any research and development activities or expenses?</p> <p><input type="checkbox"/> Set up a new retirement plan in 2023 or 2022?</p> <p><input type="checkbox"/> If you have a 401(k), did you add a Roth option to it?</p> <p><input type="checkbox"/> If you have a 401(k), did you evaluate if part-time employees now qualify?</p> <p><input type="checkbox"/> If you have a 401(k), do you have employees that made student loan payments?</p> <p><input type="checkbox"/> Pay for college tuition for any employees?</p> <p><input type="checkbox"/> Hire someone in the military or married to someone in the military?</p> <p><input type="checkbox"/> Get new business loans?</p> <p><input type="checkbox"/> Refinance business loans?</p>
	<p><b>Reimburse yourself for any business expenses you paid personally</b>, whether you paid personally by cash, check, or personal credit card. These would be expenses your business did not pay for.</p> <p><b>Complete a simple expense report</b> with date, who was paid (vendor), amount and total it up. Write yourself a separate check from your business to reimburse yourself. This is a tax deduction to your business, and <b>TAX-FREE to you</b>. DO NOT combine this check with anything else. DO NOT add it to your payroll or distribution check. <b>In the memo of your check write "Business expense reimbursement."</b></p> <p>Business expenses paid personally (NOT LATER REIMBURSED) are not a tax deduction on your personal tax return. You MUST reimburse yourself for the tax deduction to count.</p>

# Jenson & Jenson

*Standard Year-End 2023 Tax Checklist (Designed for Clients Only)*

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

## **BUSINESS & INDIVIDUAL TAX ISSUES**

	<p><b>IF ADVANTAGEOUS TO REDUCE 2023 TAXES</b></p> <p><b>Consider paying all expenses</b> on your desk &amp; in your payables before year-end.</p> <p><b>Pre-pay</b> early 2024 expenses before year-end. Where this makes sense for your business. Note: You can pay up to 12 months of expenses in advance and get the deduction when you pay that expense.</p> <p>Look at the prior year's <b>December 2022 check register</b> to see what you paid at the end of last year. You can pay those same expenses before this year-end.</p> <p>Look at your <b>January 2023 check register</b> to see what you could have paid before the end of the year. You can pay those expenses by year-end.</p> <p><b>Pay year-end payroll BY YEAR-END.</b> If your payroll is on the 1<sup>st</sup>, instead, pay January 1<sup>st</sup> payroll on or before December 31<sup>st</sup>. Pay out any employee bonuses through payroll before year-end. NOT CASH.</p> <p><b>Pay your business personal property taxes and business real estate taxes by year-end.</b> You most likely just got your bill to pay this, so do not forget!</p> <p>Typically, easy expenses to pre-pay. Major examples:</p> <ul style="list-style-type: none"><li>___ Rent</li><li>___ Advertising</li><li>___ Liability &amp; auto insurance</li><li>___ Health, dental &amp; vision insurance</li><li>___ Dues &amp; subscriptions</li><li>___ Telephone &amp; cell phone</li><li>___ Postage</li><li>___ Sponsorships or charitable contributions</li><li>___ Pick any other business expense... and you can pre-pay it <i>up to</i> 12 months.</li></ul>
	<p><b>Max out your SEP Retirement, if you have one.</b> This can be done in <i>addition</i> to your 401K if you have your plan updated to include it. The 401K contributions are “employee contributed” plans, whereas the SEP is only an “employer contributed plan.”</p> <p>This is up to 25% of your W-2 gross wages. You DO NOT need to fund this before year end. It can be paid into the SEP retirement account up to the due date of the tax return, including extensions.</p>

# Jenson & Jenson

*Standard Year-End 2023 Tax Checklist (Designed for Clients Only)*

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

## **BUSINESS & INDIVIDUAL TAX ISSUES**

	<p>For S-Corporations and Partnerships, which is September 15, 2024 (with an extension filed), for tax year 2023. For C-Corporations, which is October 15, 2024 (with an extension filed), for tax year 2023.</p> <p>For Schedule C filers or those with self-employment income on Form 1040, that is October 15, 2024, for tax year 2023. See the individual checklist for more.</p> <p><i>NOTE: Whatever percentage you contribute for yourself as the owner, you must do the same percentage for your employees. Example: You contribute 25% of your wages, you must also contribute 25% of your employee's wages to their retirement accounts.</i></p> <p>HOWEVER, since this is purely based on your gross wages for S-Corporation and C-Corporation. So, if you want to contribute (deduct) the maximum, you need to have enough wages by 12/31. NOTE: The more wages, the more payroll taxes. Overall, you should save more <i>income</i> taxes than the cost of <i>payroll</i> taxes.</p> <p>CONSIDER: W-2 wages are subject to 15.3% payroll taxes up to \$160,200 in 2023 (\$168,600 2024). W-2 wages above those amounts are subject to 2.9% payroll taxes up to \$250,000, and then subject to 3.8% payroll taxes above \$250,000.</p> <p><u>Year 2023:</u> \$66,000 Max (Requires \$264,000 in W-2 wages) No additional amount based on age.</p> <p><b><i>Tell your payroll company now to increase your withholdings for 2024.</i></b></p> <p><u>Year 2024:</u> \$69,000 Max (Requires \$276,000 in W-2 wages) No additional amount based on age.</p>
	<p><b>Health, Dental, Vision and Long-Term Care Insurance Premiums Paid by S-Corporation or Partnership</b> (Does NOT Apply to C-Corporations)</p> <p>IF YOU DO NOT DO THIS, THESE EXPENSES ARE NOT TAX DEDUCTIBLE.</p> <p><b>Over 2% Shareholders of S-Corporation:</b> Report the amount as taxable wages on Form W-2, Box 1 and Box 14 Only. This is a taxable fringe benefit NOT subject to social security or Medicare payroll taxes. This amount is to be deducted on Schedule 1 accompanying Form 1040 as "self-employed health insurance premiums." NOTE: Long-term care insurance premiums can only be deducted according to the IRS "by age limitation."</p>

# Jenson & Jenson

*Standard Year-End 2023 Tax Checklist (Designed for Clients Only)*

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

## **BUSINESS & INDIVIDUAL TAX ISSUES**

	<p>Over 2% Partners of a Partnership: Report the amount as <i>guaranteed payments</i> deducted on page 1 of Form 1065, and further included in Boxes 4a and 4c of Schedule K-1. This is taxable income to the partner also subject to self-employment taxes at the individual level. This amount is to be deducted on Schedule 1 accompanying Form 1040 as “self-employed health insurance premiums.” NOTE: Long-term care insurance premiums can only be deducted according to the IRS “by age limitation.”</p>
	<p>If there is <b>equipment, computers, furniture</b> or the like that you need for your business soon, purchase it on or before December 31st.</p> <p>Remember, if you are started using an asset that was previously bought personally, you get to deduct the original cost in the year the business use began. Example a computer was bought for the family in a prior year, but it is now used for business in 2023, the original cost can be deducted in 2023.</p> <p>Under IRC Section 179, you can immediately depreciate qualifying assets in full up to \$1,160,000. This is limited to the business net income (plus officer compensation for S-Corporations).</p> <p>If electing to use IRC Section 168 (bonus) depreciation, 80% of the asset is immediately depreciated.</p> <p>Assets must be purchased and “placed in service” before year-end to be depreciated this year.</p>
	<p><b>For your S-Corporation and Partnership, review your tax basis, and at-risk basis before year-end, if you are expecting business losses and want to take advantage of such losses. Consider “Excess Business Loss Limitations.”</b></p>
	<p><b>ENSURE YOU HAVE RECEIPTS TO SUPPORT ALL YOUR DEDUCTIONS:</b></p> <p>Ensure you have all bank statements and credit card statements on file for the year. Receipts and documentation required by the IRS to deduct any expenses.</p> <p><b>BANK STATEMENTS &amp; CREDIT CARD STATEMENTS ARE NOT RECEIPTS PER THE IRS. These documents are still needed to prove the business “paid” for the expenses, but it does not then prove what the expense is.</b></p>
	<p><b>WHAT DOES <u>NOT</u> HELP TAX SAVINGS:</b></p> <p>Paying off debt does NOT help create expenses or tax deductions. You tax deduct expenses when you borrow, not when you pay back the debt.</p> <p>Paying off your line of credit does NOT help tax-wise. Same reason as above.</p>

# Jenson & Jenson

*Standard Year-End 2023 Tax Checklist (Designed for Clients Only)*

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

## **BUSINESS & INDIVIDUAL TAX ISSUES**

	Paying off credit cards do NOT help tax-wise. Same reason as above. The deduction counts when you charge the expense to the credit card.
--	--

# Jenson & Jenson

*Standard Year-End 2023 Tax Checklist (Designed for Clients Only)*

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

## BUSINESS & INDIVIDUAL TAX ISSUES

### THE FOLLOWING RELATED TO INDIVIDUALS

Purchase any tax credits in 2023?

Invest in any solar equipment or businesses making investments into solar activities?

Do you plan to buy real estate and rent it as an Airbnb?

#### 4<sup>th</sup> Quarter Estimated Tax Payments:

If you pay Federal and State (Oklahoma) Individual Quarterly Estimated Tax Payments, remember to pay those on or before January 15, 2024, for tax year 2023. There are penalties for underpayment of penalties, which this helps avoid.

NOTE the due dates for estimated tax payments for tax year 2024, Federal and Oklahoma:

- 4/15/24 1<sup>st</sup> quarter 2024
- 6/17/24 2<sup>nd</sup> quarter 2024
- 9/16/24 3<sup>rd</sup> quarter 2024
- 1/15/25 4<sup>th</sup> quarter 2024

**Did you turn 73 in 2023 or are you turning 73 in 2024?** If yes, you need to make Requirement Minimum Distributions on or before April 1, 2024 (possibly April 1, 2025). Exceptions apply. Alert us so we can discuss.

**Gambling winnings:** You can deduct gambling losses to the extent of winnings but now ONLY if you itemize your tax deductions at the individual level.

Also, for Oklahomans, gambling losses are NOT deducted from gambling winnings. So, you will pay the full Oklahoma tax (4.75%) on your gross gambling winnings, regardless of losses.

Make any **charitable contributions** by year-end. Your check, cash, or credit card charge will be *received* by the charity to count.

Make any **non-cash contributions to a charity** by year-end. Goodwill, Hope Center, Vietnam Vets, etc. Get a receipt. Itemize what you donated.

NOTE: The charitable organization won't list an amount for the deduction. Hence, you need to list what you gave. You decide the amount.

# Jenson & Jenson

*Standard Year-End 2023 Tax Checklist (Designed for Clients Only)*

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

## **BUSINESS & INDIVIDUAL TAX ISSUES**

**Max out retirement withholdings for 401K or Simple Plan and prepare to increase retirement withholdings for 2024.**

This can only be done by W-2 / payroll reporting and must be done in payroll on or before year end (12/31/23)

The amounts withheld need to be paid (contributed to the retirement plan) on or before January 15, 2024.

### Year 2023:

401K: \$22,500 or \$30,000 if age 50+

Simple Plan: \$15,500 or \$19,000 if age 50+

The **employer match** is typically 4% for the 401K and 3% for the Simple Plan. The match is based on the gross wages paid to the employee and does not exceed the amount contributed by the employee.

***Tell your payroll company now to increase your withholdings for 2024.***

### Year 2024:

401K: \$23,000 or \$30,500 if age 50+

Simple Plan: \$16,000 or \$19,500 if age 50+

**If your company pays into your health savings account (HSA), max it out before year end through wages.**

For 2023, you have until April 15, 2024, to max it out if you pay it at the personal level; meaning if you pay it from your personal account, and the company does NOT pay this directly, you have until April 15, 2024.

If your business pays for it, it must be reported on your 2023 Form W-2 (Box 12W) and thus, get this done by year end.

### Year 2023:

\$7,750 Family or \$3,850 Single.

If age 55+ \$8,750 Family or \$4,850 Single.

***Note the increase for 2024.***

### Year 2024:

\$8,300 Family or \$4,150 Single.

If age 55+ \$9,300 Family or \$5,150 Single.

### **IRA and Roth IRA:**

You have until April 15, 2024, to fully fund your 2023 or have it count towards 2023. For planning purposes note the maximum amounts:

# Jenson & Jenson

*Standard Year-End 2023 Tax Checklist (Designed for Clients Only)*

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

## **BUSINESS & INDIVIDUAL TAX ISSUES**

<p><u>Year 2023:</u> IRA: \$6,500 or \$7,500 if age 50+ Roth IRA: \$6,500 or \$7,500 if age 50+</p> <p><u>Year 2024:</u> IRA: \$7,000 or \$8,000 if age 50+ Roth IRA: \$7,000 or \$8,000 if age 50+</p>
<p>Planning to max out contributions to a <b>529 educational plan</b>.</p> <p>This is NOT a Federal tax deduction. Not all states adopt this as state tax deduction.</p> <p>Here is how it works in Oklahoma, as an example:</p> <p>You have until April 15, 2024, to max it out for year 2023. The state of Oklahoma takes part in this, and thus, for Oklahomans contributing to an Oklahoma 529 plan, they can tax deduct this on their Oklahoma income tax return; saving approximately 4.75% of the amount contributed to Oklahoma tax.</p> <p>2023 Tax Year:</p> <p>You have until April 15, 2024, to contribute and it be a deduction for 2023.</p> <p>Single: \$10,000 maximum Oklahoma deduction</p> <p>Married Filing Jointly: \$20,000 maximum Oklahoma deduction</p>
<p><b>Educators and teachers:</b> For amounts you are paying out of pocket for your classroom or to directly aid in educating your students in the classroom, you can tax deduct up to \$300 annually. This is per educator. So, if both spouses are educators and both spouses spend at least \$300 out of pocket, the annual tax deduction is \$600.</p>
<p>If you have massive out of pocket <b>medical expenses</b>, consider paying as much as possible at year end as the deduction is only experienced if the aggregate out of pocket exceeds 7.5% of your (adjusted gross) income. Paying by credit card counts in the year <i>charged</i>.</p> <p>Example: If your income is \$100,000, then any out of pocket, paid medical expenses more than \$7,500 (7.5%) would be deductible (and only the amount in excess \$7,500 in this example).</p> <p><b>Remember to renew your health insurance</b>, and if applicable, at the Health Insurance Marketplace, but seek tax advice when estimating your 2023 income as the credit (reduction in cost) is based on this and if you estimate incorrectly, you will have to pay the credit back.</p>
<p><b>Have you maxed out your childcare expenses for 2023?</b></p> <p>For 2023 you can use up to \$3,000 in childcare expenses for one dependent and up to \$6,000 in childcare expenses for two or more dependents.</p>



# Jenson & Jenson

## Standard Year-End 2023 Tax Checklist (Designed for Clients Only)

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

### BUSINESS & INDIVIDUAL TAX ISSUES

Max out **educational expenses** for the maximum tax credit (based on educational expenses paid during the calendar year):

**American Opportunity Tax Credit:** If you are or your dependent is in the first 4 years of college, you get a 100% tax credit for the first \$2,000 spent and 25% of the next \$2,000 spent, for a maximum tax credit of \$2,500 per student.

**Lifetime Learning Credit:** If you are or your dependent is past the first 4 years of college or taking college credits not in the pursuit of a degree, you get a 20% tax credit for the first \$10,000 in educational expenses; per student.

You are not able to take both tax credits on the same educational expenses.

FYI: If your income\* is over \$90,000 single or \$180,000 married filing jointly, this tax credit gets phased out, and you won't benefit. \*MAGI (Modified Adjusted Gross Income)

#### What does an extension do for you?

An extension of the individual tax return is never an extension of time to pay any tax due for 2023. An extension is only an extension of time to file the tax forms.

#### When are taxes due for 2023?

All taxes are due 4/15/24 for tax year 2024.

### CHECKING ON TAX RETURNS, AND REFUNDS (IF APPLICABLE)

#### How to check on your Federal tax return, and tax refund (if applicable)?

You will need your Form 1040 tax return available to supply the following:

- Social security number first listed on Form 1040 (Top right of Form 1040)
- Filing status (Top of Form 1040)
- Refund amount (Line 35a of Form 1040)

Here is the link:

<https://www.irs.gov/refunds>

#### How to check on your Oklahoma tax return, and tax refund (if applicable)?

You will need your Form 511 tax return available to supply the following:

- Social security number first listed on Form 511 (Top left of Form 511)
- Refund amount (Line 38 of Form 511)

Here is the link:

[https://www.olt.com/main/vita/okrefund.asp#:~:text=Simply%20call%20\(405\)%20521%2D,of%20your%20Oklahome%20tax%20refund.](https://www.olt.com/main/vita/okrefund.asp#:~:text=Simply%20call%20(405)%20521%2D,of%20your%20Oklahome%20tax%20refund.)

# Jenson & Jenson

## Standard Year-End 2023 Tax Checklist (Designed for Clients Only)

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

### BUSINESS & INDIVIDUAL TAX ISSUES

#### ADDITIONAL RESOURCES YOU SHOULD CONSIDER, SET UP

##### Do you have an online IRS account?

We suggest you create an “online account” at the IRS to see what 3<sup>rd</sup> parties are reporting in your social security number and to get tax information. An account is needed for each person. Link to set this up. It takes only about 15 minutes.

<https://www.irs.gov/payments/your-online-account>

##### Do you have an online account at the Social Security Administration (SSA)?

We suggest you create an “online account” with the SSA to ensure your information is reported correctly each year, check on your governmental benefits and see your future retirement benefits. Link to set this up

<https://secure.ssa.gov/RIL/SiView.action>

#### A NOTE ABOUT OBTAINING LOANS, BASED ON YOUR TAX INFORMATION

If you are looking to get a loan for a home, car, credit card or otherwise, please note the banks typically focus on line 11 of Form 1040 (adjusted gross income) and your W-2 wages (box 5). If you are self-employed, banks typically use a 2-year average of your NET income, as well as the aforementioned items.

#### 2024 MATTERS TO CONSIDER NOW

##### How do I ensure I am withholding enough tax for 2024?

Go to the IRS website and use their impressive tool. Here is the link:

<https://apps.irs.gov/app/tax-withholding-estimator>

##### What should you tax plan for 2024?

- Ensure you are paying in enough tax for 2024 (refunds only mean you “loaned” money to the government).
- Max out your retirement (See amounts previously provided)
  - 401k & Simple IRA (through wages)
  - SEP (based on net self-employed earnings and/or gross wages for employers)
  - IRA (deductible, but taxable in retirement)
  - Roth IRA (non-deductible, but non-taxable in retirement (after age 59 ½))
- Will you be able to itemize your tax deductions, and should you increase related deductions to exceed the standard deduction to maximize those tax deductions.
  - Itemized deductions (reported on Schedule A) are
    - Medical expenses (only the amount above 7.5% of your adjusted gross income (line 11 of Form 1040))
    - Real estate and state taxes (or the use of sales taxes is possible, but rarely used in Oklahoma)
    - Mortgage interest on your primary home
    - Charitable contributions (cash, check, debit card or credit card)
    - Non-cash charitable contributions (clothing, household items, etc.) GET A RECEIPT

# Jenson & Jenson

*Standard Year-End 2023 Tax Checklist (Designed for Clients Only)*

**CONSULT YOUR TAX ADVISER BEFORE YOU ACT**

## **BUSINESS & INDIVIDUAL TAX ISSUES**

- |  |
|--|
| <ul style="list-style-type: none"><li>• If you have income out of the ordinary, have a life event occur, or other issues you are unsure of, you should alert us to know the tax consequences to avoid a surprise next April (or know the tax benefits). An example of such items could be:<ul style="list-style-type: none"><li>○ Get married or have a child</li><li>○ Get a bonus or raise</li><li>○ Gambling winnings (receive a Form W-2G)</li><li>○ Switch jobs (Tax withholdings and retirement can change)</li><li>○ Purchase a home or real estate</li><li>○ Start a new business (need to call us first to set up tax planning)</li><li>○ Sale of stock, assets, car, real estate, or other sales</li><li>○ Make an investment into a privately owned company</li><li>○ Oil &amp; gas royalties</li><li>○ Receive an inheritance (especially if inherit assets, stock, or retirement)</li><li>○ Never hesitate to reach out to us to inquire of anything else</li></ul></li></ul> |
|--|

**QUESTIONS FOR NOW, OR LATER:**