

# TaxUpdate

2024 YEAR END NEWSLETTER



Call (518) 621-5765 Today!  
Limited Third Party Designee

Serving Upstate New York Since 1987

Forecast Forward,  
Predict & Control;  
Your Tax Outcome!

Corner Gateway

1972 New Scotland Road  
P O Box 549 Slingerlands, NY 12159  
Office Phone/Fax: (518) 439-8185  
Email: upstatetaxgroup@gmail.com



A SECURE Cloud Community for Professionals

## What's New in 2024

Major tax law changes are usually delayed during an election year, and this year is no different. And regardless of which party ends up occupying the White House, it doesn't mean Congress's habit of late tax changes won't impact your tax return. So stay alert! In the meantime, here's what you'll want to pay attention to when preparing your 2024 tax return.

- ❑ **Tax brackets and rates.** The seven tax rates remain unchanged while the income subject to each rate is much higher. After a whopping 7 percent increase in 2023, there's an additional 5.4 percent increase in income subject to each tax rate in 2024. This means more of your income will be subject to a lower tax rate.
- ❑ **Higher retirement plan limits.** Higher inflation also increases the amount you can contribute to most retirement plans by \$500. Coupled with the tax bracket adjustments, you could have money to fund this expanded limit within your IRA, 401(k), 403(b), or 457 plans.
- ❑ **The current 1099-K change.** If you use third party payment processors like Venmo or sell tickets on apps like SeatGeek, you are more likely to receive a tax form of your activity that



is being sent to the IRS. The limit that requires the activity to be reported drops from \$20,000 to \$5,000 in 2024. So if you receive a form, save it and report it!

- ❑ **Retirement fund distribution changes.** If you turn 73 in 2024 or later, you can keep money in a tax-deferred IRA or 401(k) for another 12 months before minimum distributions are required. And starting this year, Roth 401(k)s are no longer subject to required minimum distributions.
- ❑ **Changes on the horizon.** Finally, unless Congress takes action, 2024 and 2025 are the final two years before tax laws roll back to those in place in 2017. This means being more vigilant than ever to take advantage of the rules before and after they change.

## Understanding Refund Delays

When e-filing your tax return, you can generally expect to receive your refund within three weeks of your return being accepted by the IRS. Expect to wait four or more weeks, however, if you mail in your tax return. Here are some of the most common culprits for delayed refunds:

**Errors or incomplete information.** It could be an error in a Social Security number or a mismatch with how a name is recorded with the Social Security Administration.

**Needs further review.** The IRS may highlight a known area of error or fraud.

**Affected by identity theft or fraud.** This can be as simple as a thief having already filed a tax return using your Social Security number.

**Bank or creditor refers your information to the IRS due to suspicious activity.**

**Certain tax credits.** If your tax return includes either the Earned Income Tax Credit or the Additional Child Tax Credit, the IRS may want to double-check the calculation.

**Your return includes Form 8379 (Injured Spouse Allocation).** These returns can take up to fourteen weeks to process.

**Check the status of your expected refund.** If you expect a refund and it goes beyond the stated time frame AND it does not include one of the items listed above, visit [irs.gov/wheres-my-refund](https://irs.gov/wheres-my-refund) to check on the status of your refund. You'll need the following information:

- Your Social Security number
- Your filing status
- The exact refund amount

Your refund status is typically available within one to two business days of filing. If your tax return is not found, it means a follow up may be required.

## Income Brackets for 2024 Tax Rates

| Tax Rate | Single            | Married Filing Joint/Widow | Head of Household | Married Filing Separate |
|----------|-------------------|----------------------------|-------------------|-------------------------|
| 10%      | \$1 – 11,600      | \$1 – 23,200               | \$1 – 16,550      | \$1 – 11,600            |
| 12%      | 11,601 – 47,150   | 23,201 – 94,300            | 16,551 – 63,100   | 11,601 – 47,150         |
| 22%      | 47,151 – 100,525  | 94,301 – 201,050           | 63,101 – 100,500  | 47,151 – 100,525        |
| 24%      | 100,526 – 191,950 | 201,051 – 383,900          | 100,501 – 191,950 | 100,526 – 191,950       |
| 32%      | 191,951 – 243,725 | 383,901 – 487,450          | 191,951 – 243,700 | 191,951 – 243,725       |
| 35%      | 243,726 – 609,350 | 487,451 – 731,200          | 243,701 – 609,350 | 243,726 – 365,600       |
| 37%      | Over \$609,350    | Over \$731,200             | Over \$609,350    | Over \$365,600          |

## Getting Ready for Tax Season: Some Tips

Every year the tax code gets a bit more complicated. The filing of your tax return, though, doesn't need to be. Here's a checklist to ensure you have what you need:

✔ **Look for your tax forms.** W-2s, 1099s, and 1098s will start hitting your mailbox in late January. Look for these forms and get them organized. Create a checklist of the forms to make sure none is missing.

✔ **It's all in a name.** If you were recently married or had a name change, file your taxes using the correct name. File any name change with the Social Security Administration as soon as possible.

✔ **Collect and sort your receipts.** Begin gathering and sorting your tax records to match the items on your 2023 tax return. Here's a list of the most common tax documents:

- Informational tax forms (W-2s, 1099s, & 1098s)
- Other forms that disclose income (jury duty, unemployment, and IRA distributions)
- K-1 forms for businesses
- Social Security benefits (Form SSA-1099)
- Mortgage interest statements
- Tuition payment statements
- Property tax statements
- Mileage logs for business, moving, medical, and charitable driving
- Medical, dental, and vision expenses
- Business expenses
- Records of any asset purchases and sales

- Health insurance records (including Medicare and Medicaid)
- Charitable receipts and documentation
- Bank and investment statements
- Credit card statements
- Records of any out-of-state purchases that may require reporting use tax
- Records of estimated tax payments
- Documents if you bought or sold a home
- Educational expenses (including student loan interest expense)
- Retirement contribution records

If you aren't sure whether something is important for tax purposes, retain the documentation. Also consider the following:

✔ **Review and update your withholdings.** Review your W-2 and decide if now is the time to have your employer update your withholding amounts. A second review might be a good idea after filing your taxes.

✔ **Coordinate your deductions.** If you and someone else share a dependent, confirm who will claim the dependent. This is true for single taxpayers, divorced taxpayers, taxpayers with elderly parents/grandparents, and parents with older children.

✔ **Review other information.** Review other parts of your financial life for possible organization and updates. This includes insurance, investments, legal documents, safety plans, identity theft protection, credit scores, retirement planning, retirement account contributions, and your home's annual budget.

## Tax Season is Scam Season

Tax season is also tax scam season for savvy criminals. Here are several ideas to reduce your risk of having your personal information stolen:

- Remember, the IRS *DOES NOT* initiate contact by email, or request personal or financial information by email.
- The IRS typically initiates contact by mail.
- On rare occasions the IRS will initially contact with a call. When this happens, get the IRS agent's name and badge number. Then hang up and call the IRS independently (not the phone number they give you).
- If you receive a suspicious email, DO NOT open it, click on any links, reply, or open attachments. Report it to phishing@irs.gov.
- Do not give personal information to unsolicited phone calls from the IRS. Even if it sounds legitimate, know that scammers are getting good at spoofing phone numbers on your caller ID.
- Only pay the U.S. Treasury directly. DO NOT pay anyone else, even if they threaten you.

Finally, the IRS and Federal Trade Commission have excellent material regarding these thieves and their techniques. Become familiar with them.

### Standard Deductions

| Item                                  | 2024     | 2023     | Change |
|---------------------------------------|----------|----------|--------|
| Single                                | \$14,600 | \$13,850 | +\$750 |
| Married Joint/Widow                   | 29,200   | 27,700   | +1,500 |
| Head of Household                     | 21,900   | 20,800   | +1,100 |
| Married Filing Separate               | 14,600   | 13,850   | +750   |
| <b>Additional Standard Deduction:</b> |          |          |        |
| Elderly/Blind: Married                | +1,550   | +1,500   | +50    |
| Elderly/Blind: Unmarried              | +1,950   | +1,850   | +100   |

### Key Retirement Plan Limits

| Retirement Plan           | 2024     | 2023     | Change | Age 50 or older catch-up |
|---------------------------|----------|----------|--------|--------------------------|
| 401(k), 403(b), 457 plans | \$23,000 | \$22,500 | +\$500 | Add \$7,500              |
| IRA: Roth                 | \$7,000  | \$6,500  | +\$500 | Add \$1,000              |
| IRA: SIMPLE               | \$16,000 | \$15,500 | +\$500 | Add \$3,500              |
| IRA: Traditional          | \$7,000  | \$6,500  | +\$500 | Add \$1,000              |

### Maximum Earned Income Tax Credit

|             | 2024  | 2023  | Change |
|-------------|-------|-------|--------|
| No Child    | \$632 | \$600 | +\$32  |
| 1 Child     | 4,213 | 3,995 | +218   |
| 2 Children  | 6,960 | 6,604 | +356   |
| 3+ Children | 7,830 | 7,430 | +400   |

**2024 INDIVIDUAL TAX RETURN  
DUE DATE:  
APRIL 15, 2025**

This publication provides summary information regarding the subject matter at time of printing. Please call with any questions on how this information may impact your situation.