



Taxland Newsletter
2023

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JUNE ISSUE

By **Tina M Chandler EA CFS**

UPCOMING DEADLINES:

2nd QTR ESTIMATED TAX PAYMENTS DUE: 06-15-23

If you need assistance figuring out your estimated tax payments we are happy to help.

DEADLINE TO FILE 2019 TAX RETURN: 07-17- 2023

The deadline was originally in April 2023, but has been extended by the IRS, this is for anyone who has yet to file a return for the 2019 tax year.

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Taxland Moving Reminder:

This is a friendly reminder that **we are moving** across the street to **1206 Boston Road**. Our anticipated move in date is July 1st, 2023. We can't wait to see you in the new office!

IRS Processing of Amended Returns:

As of April 29, 2023, the IRS had 919,000 unprocessed Forms 1040-X. They are processing these returns in the order received and the current timeframe can be more than 20 weeks. Please don't file the same return more than once. Taxpayers should continue to check [Where's My Amended Return?](#) for the most up to date processing status available.

Standard Mileage Rates for 2023:

Beginning on January 1, 2023, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- **65.5 cents** per mile driven **for business use**, up 3 cents from the midyear increase setting the rate for the second half of 2022.
- **22 cents** per mile driven **for medical or moving purposes for qualified active-duty members of the Armed Forces**, consistent with the increased midyear rate set for the second half of 2022.
- **14 cents** per mile driven **in service of charitable organizations**; the rate is set by statute and remains unchanged from 2022.

These rates apply to electric and hybrid-electric automobiles, as well as gasoline and diesel-powered vehicles.

Make Sure You Are Withholding Enough Taxes From Your Paycheck:

Consider [adjusting your withholding](#) if you owed taxes or received a large refund when you filed. Changing your withholding can help you avoid a tax bill or let you keep more money each payday. Credit amounts may change each year, so visit IRS.gov and use the Interactive Tax Assistant to identify whether you qualify for any tax credits that may call for a withholding adjustment. Life changes – getting married or divorced, welcoming a child, or taking on a second job – may also mean changing withholdings.

Use the [Tax Withholding Estimator](#) to help you determine the right amount of tax to have withheld from your paycheck. This tool on IRS.gov will help determine if you need to adjust your withholding and submit a new Form W-4 to your employer.

[Consider estimated tax payments](#). If you receive a substantial amount of non-wage income like self-employment income, investment income, taxable Social Security benefits and in some instances, pension and annuity income you should make quarterly estimated tax payments.

Source: <https://www.irs.gov/individuals/steps-to-take-now-to-get-a-jump-on-next-years-taxes>

Hobby vs. Business What is the Difference?

Most people take up hobbies for personal enjoyment, not to make a profit. Sometimes, however, the line between hobbies and businesses isn't clear cut. There are several different factors people should consider when making the determination and the IRS provides resources to help.

Key questions to ask:

- Is the activity conducted like a business?
- Does the taxpayer change their methods of operation to improve profitability?
- Is the activity a main source of income?
- Has the taxpayer made or expected to make a profit?
- Is the activity profitable in some years?
- Does the activity have elements of personal pleasure or recreation?

Claiming profits and losses

If taxpayers aren't trying to make a profit with their hobby, business or investment activity, they can't use a loss from the activity to offset other income. The limit on not-for-profit losses applies to individuals, partnerships, estates, trusts and S corporations. It doesn't apply to corporations other than S corporations.

If a taxpayer receives income from an activity that is carried on with no intention of making a profit, they must report the income they receive on Schedule 1 (Form 1040), line 8.

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IF YOU ARE INTERESTED IN LEARNING MORE, CONTACT OUR OFFICE TO SCHEDULE A
TELEPHONE CALL OR MEETING. WE ARE HERE TO HELP YOU.

TAXLANDONLINE.COM - 413-782-8292