



Taxland Newsletter  
2023

.....

# MAY ISSUE

By **Tina M Chandler EA CFS**

## **UPCOMING DEADLINES:**

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

.....

## **Did you miss the tax deadline?**

The best thing you can do is book an appointment to file as soon as possible. If you are due a refund there is no penalty for filing late, however if you have a balance due there will be penalties and interest added so it is best to submit your return as close to the deadline as possible to minimize the additional expense.

The IRS states that for 2022 tax returns due April 18, 2023, some taxpayers automatically qualify for extra time to file and pay taxes due without penalties and interest, including:

- Members of the military who served or are currently serving in a combat zone. They may qualify for an additional extension of at least 180 days to file and pay taxes.
- Support personnel in combat zones or a contingency operation in support of the Armed Forces. They may also qualify for a filing and payment extension of at least 180 days.
- Taxpayers outside the United States. U.S. citizens and resident aliens who live and work outside the U.S. and Puerto Rico, including military members on duty who don't qualify for the combat zone extension, may qualify for a two-month filing and payment extension.
- Some disaster victims. Those who qualify have more time to file and pay what they owe.

## Extensions Explained

An extension to file is not an extension to pay. An extension to file provides an additional six months with a new filing deadline of Oct. 16. Penalties and interest apply to taxes owed after April 18 and interest is charged on tax and penalties until the balance is paid in full.

Filing and paying as much as possible is key because the late-filing penalty and late-payment penalty add up quickly.

Even if a taxpayer can't afford to immediately pay the full amount of taxes owed, they should still file a tax return to reduce possible late-filing penalties. The IRS offers a variety of options for taxpayers who owe the IRS but cannot afford to pay. For more information see the penalties page on IRS.gov.

Taxpayers may qualify for penalty relief if they have filed and paid timely for the past three years and meet other important requirements, including paying or arranging to pay any tax due. For more information, see the [first-time penalty abatement](#) page on IRS.gov.

## 2023 Tax Brackets

In 2023, the income limits for all tax brackets and all filers will be adjusted for inflation and will be as follows: there are seven federal income tax rates in 2023: 10 percent, 12 percent, 22 percent, 24 percent, 32 percent, 35 percent, and 37 percent. The top [marginal](#) income tax rate of 37 percent will hit taxpayers with [taxable income](#) above \$539,900 for single filers and above \$693,750 for married couples filing jointly.

## Did you receive a refund you weren't expecting from the IRS?

There was a software release at the end of March, early April that corrected a calculation error within our tax software for the 2210 Penalty calculation. The calculator overstated what you owed to the IRS and they have corrected this by sending you a refund. You do not need to do anything further at this time.

.....

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**