



Taxland Newsletter
2024

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NOVEMBER ISSUE

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UPCOMING DEADLINES:

4th QTR ESTIMATED TAX PAYMENTS DUE: 01-15-25

DEADLINE FOR REQUIRED MINIMUM DISTRIBUTIONS (RMDS): 12-31-24

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A big thank you to everyone who made it out to our shred event! It was wonderful to see each and every one of you!

Massachusetts Tax Amnesty 2024:

Massachusetts Department of Revenue (MA DOR) has announced an amnesty program that will run from November 1st through December 30th, 2024. This program has been designed to encourage non-filers and taxpayers with outstanding tax liabilities to catch up and save on penalties that would have otherwise been owed. The goal of the program is to aid in bringing taxpayers into compliance who have either failed to file or who have unpaid assessments.

As stated by Massachusetts DOR “Taxpayers who meet certain criteria must request amnesty, file returns, and pay outstanding tax and interest liabilities to have eligible penalties waived. Additionally, non-filers, or individuals who failed to file required returns with DOR, may benefit from a three-year limited look-back period.” They have listed the following criteria:

Eligible Taxpayers:

- Individuals, businesses, estates, or trusts
- Taxpayers with unfiled returns, underreported obligations, or existing tax liabilities
- Taxpayers currently under audit that will result in a penalty assessment
- Taxpayers with pending resolution cases, pending cases with the Appellate Tax Board, and open Collection cases

Ineligible Taxpayers:

- Taxpayers seeking a waiver of penalties related to assessments already paid
- Taxpayers seeking a refund of tax or a credit of an overpayment
- Taxpayers under tax-related criminal investigation or prosecution

- Taxpayers who received prior amnesty relief in 2015 or 2016 for the same tax type and tax period
- Taxpayers in active bankruptcy
- Taxpayers subject to a tax-related criminal investigation or prosecution
- Taxpayers who filed a false or fraudulent return, statement, or amnesty claim

Process for Claiming Amnesty:

Any eligible taxpayers with an existing tax liability will receive an **Amnesty Eligibility Letter**. They will then have to complete the Amnesty Request on the [information web page](#) beginning November 1st. Outstanding returns must be filed for the amnesty period(s) requested, and all tax and interest due must be paid by December 30, 2024.

If an application is **approved**, penalties will be waived, as will interest on penalties for the period(s) requested. If an application is **denied**, interest and penalties will continue to accrue until paid.

IRS Releases Inflation Updates for the 2024 Tax Season:

The standard deduction for married couples filing jointly for tax year 2024 rises to \$29,200, an increase of \$1,500 from tax year 2023. For single taxpayers and married individuals filing separately, the standard deduction rises to \$14,600 for 2024, an increase of \$750 from 2023; and for heads of households, the standard deduction will be \$21,900 for tax year 2024, an increase of \$1,100 from the amount for tax year 2023.

- Marginal rates:
 - 37% for individual single taxpayers with incomes greater than \$609,350 (\$731,200 for married couples filing jointly)
 - 35% for incomes over \$243,725 (\$487,450 for married couples filing jointly)
 - 32% for incomes over \$191,950 (\$383,900 for married couples filing jointly)
 - 24% for incomes over \$100,525 (\$201,050 for married couples filing jointly)
 - 22% for incomes over \$47,150 (\$94,300 for married couples filing jointly)
 - 12% for incomes over \$11,600 (\$23,200 for married couples filing jointly)
 - The lowest rate is 10% for incomes of single individuals with incomes of \$11,600 or less (\$23,200 for married couples filing jointly).
- The tax year 2024 maximum Earned Income Tax Credit amount is \$7,830 for qualifying taxpayers who have three or more qualifying children, an increase from \$7,430 for tax year 2023.
- For the taxable years beginning in 2024, the dollar limitation for employee salary reductions for contributions to health flexible spending arrangements increases to \$3,200.
- For tax year 2024, participants who have self-only coverage in a Medical Savings Account, the plan must have an annual deductible that is not less than \$2,800, an increase of \$150 from tax year 2023, but not more than \$4,150, an increase of \$200 from tax year 2023. For self-only coverage, the maximum out-of-pocket expense amount is \$5,550, an increase of \$250 from 2023. For tax year 2024, for family coverage, the annual deductible is not less than \$5,550, an increase of \$200 from tax year 2023; however, the deductible cannot be more than \$8,350, an increase of \$450 versus the limit for tax year 2023. For family coverage, the out-of-pocket expense limit is \$10,200 for tax year 2024, an increase of \$550 from tax year 2023.

- For tax year 2024, the foreign earned income exclusion is \$126,500, increased from \$120,000 for tax year 2023.
- Estates of decedents who die during 2024 have a basic exclusion amount of \$13,610,000, increased from \$12,920,000 for estates of decedents who died in 2023.
- The annual exclusion for gifts increases to \$18,000 for calendar year 2024, increased from \$17,000 for calendar year 2023.
- The maximum credit allowed for adoptions for tax year 2024 is the amount of qualified adoption expenses up to \$16,810, increased from \$15,950 for 2023.

Source:

<https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2024>

There are less than three months to go! Contact us to schedule an appointment to discuss YOUR year end tax planning. WE ARE HERE TO HELP YOU.

TAXLANDONLINE.COM - 413-782-8292