

TAXES AND STUFF

January, 2022

Tax Season

Hours

02/5/2022 - 04/15/2022

Monday	9 - 5
Tuesday	9 - 7
Wednesday	9 - 5
Thursday	9 - 7
Friday	9 - 5
Saturday	9 - 12
Sunday	Church

Off Season

Hours

Monday	Closed
Tuesday	9 - 4
Wednesday	9 - 4
Thursday	9 - 4
Friday	9 - 2
Saturday	Closed
Sunday	Church

For I know the plans I have for you, declares the Lord, plans to prosper you and not to harm you, plans to give you hope and a future.

Jeremiah 29:11

Greetings from your neighborhood tax guys!

With our 15th year on the horizon, we often look back at our humble beginnings and thank God and all of you who have helped us get to where we are today. We cannot thank you enough to be blessed with such an amazing family and community that helped shape us. We pray that all of you are doing well and staying safe during these times, especially with the troubles that COVID-19 has brought to all of us. This past year we sought to accommodate everyone and wanted to ensure your safety so we have started focusing more on our document portal (discussed more below) and Zoom/Telephone conference meetings instead of face-to-face interactions. Nonetheless, we are open to all forms of communication and want to help you in any way we can – if you have any tax-related questions please feel free to give us a call/email to schedule an appointment for either in office or over the phone and we'll be glad to help!

These are a few items which we will go over in more detail:

- A new member of the team!
- (Another) Portal Update
- Things to keep an eye out for – tax changes for individuals and businesses

Your neighbors at Stafford & Peasall...



A New Addition

This past year we have had a few changes to our staff, so we would like to introduce you to our most recent hire – Chris Stafford. Chris Stafford, son of Mark Stafford, started with us at the beginning of 2021 and is looking to learn all that he can about the world of accounting. Chris, as a life-long resident of Brandon, graduated from Brandon High and USF with a Bachelor’s of Finance and will be returning to USF in the spring to pursue a degree in accounting. Prior to joining our team, Chris worked at SitusAMC, a company that specializes in the residential mortgage market, where he held a position of Vice President in the client services department. With his experience we are confident he will be a great addition to our family.



Document Portal News

At this point we may be sounding like a broken record but rest assured we believe we have finally found our long-term solution to a document portal to transfer digital images safely and securely, protecting the people we care about most – our clients! This software is called Office Tools and has been used by many clients already proving to be a simple and easy to use tool to quickly exchange documents that may contain sensitive information such as your SSN. This is our only means to share confidential documentation electronically so we strongly recommend that everyone has an account to help ease any necessary communication down the road. To get started, please send us an email at partner@staffordandpeasall.com with your name and/or business name and we’ll send you a link to create your account. Quick and easy!



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Individuals

- **Child tax credit** – With the Passing of the American Rescue Plan in March 2021, the credit for the 2021 tax year was raised from \$2,000 to \$3,000 for each child ages 6-17 and up to \$3,600 for a child who is 5 or younger. This credit does include phase outs for those with higher incomes. Additionally, the 2nd half of the child tax credit began paying out in advance monthly installments while the 1st half will be claimed on the 2021 tax return. The IRS gives you the option to opt out of the monthly installments through their website. **Please provide us with the total amount of monies received through these monthly installments when sending us your tax information as this will need to be reconciled on the return.** You should be receiving Letter 6419 in January 2022 with the full amount of credit you received during 2021.
- **Child/Dependent Care Credit** – The care credit for 2021 is now fully refundable and has been increased from 35% to 50% of expenses up to \$8,000 per qualifying child/person or \$16,000 for two or more qualifying children/persons. Per the IRS, expenses that you incur for the care of qualifying children/persons to enable you to go to work, look for work, or attend school are eligible for the credit. If your family income is less than \$125,000, you might be able to claim the full amount of the credit. For those families with income up to \$438,000, you still might be able to claim a portion of the credit.
- **Stimulus Checks (Recovery Rebate)** – The majority of US citizens should have received a tax-free 3rd stimulus check in the amount of \$1,400 plus \$1,400 for each dependent in January 2021 – **If you did not receive this credit or received less than the \$1,400 per person, please provide us with the total amount you did receive so that we may claim the missing credit on your 2021 return.** You should get a letter in the mail labeled Notice 1444-C which includes the total amount that you received.
- **Retirement Plans** – Required Minimum Distributions (RMD) were put on hold during 2020 due to COVID but are now required for 2021. If you were age 72 or older during the 2021 tax year please verify and pull the amount required for distribution to avoid any unnecessary penalties.
- **Charitable Donations (Cash)** – For those that claim the standard deduction instead of itemizing, you will be allowed a tax deduction of up to \$300 dollars for single or \$600 for joint filings for cash contributions to any 501(c)(3) charity. This was limited to \$300 during 2020 and has not yet been approved for tax years beyond 2021.

Businesses

- **Mileage Deductions** – the standard mileage rate was decreased to 56 cents per mile for 2021. To stay in compliance, and to be prepared in case of any audit, accurate mileage records must be maintained. This includes all trip information – date, where to, total miles, and business purpose. To help maintain records there are many options available such as excel templates, car logs, and even phone applications that utilize GPS tracking to accurately maintain records of miles driven.
- **Meals** – for 2021, the deduction for business meals was increased from 50% to 100% (this is definitely our favorite)





Stafford & Peasall

CPAs

We have your solution.

101 E. Jersey Avenue

Brandon, FL 33510

www.staffordandpeasall.com

Phone: 813.651.1040

Fax: 813.654.1248

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Other Services That Can Help

- Do you use QuickBooks? If you do, this service might interest you. Here's how it works: you send us your QuickBooks file electronically, we make any necessary changes or corrections, and then we send the changes back to you so you can import them into your working file. Many of our clients already use this feature. If you are not already doing so, consider taking advantage of this feature so we can better serve you. If you're interested in learning more about how this works, please contact us.
- Do you ever wonder if you've forgotten to give us everything to prepare your tax return? Maybe we can help. As a client, we offer you an organizer to help you compile the information necessary to prepare your tax return. The organizer also includes a questionnaire designed to inform us of any deductions or credits that might apply to you. If you are interested in an organizer, please contact us.

What can we do for you?

- Tax preparation
- Tax planning
- Business start-ups
- Bookkeeping and payroll
- Financial statement preparation
- QuickBooks training
- Audit representation
- Notary services

Partners:

Mark K. Stafford, CPA, EA
mark@staffordandpeasall.com

Joshua D. Peasall, CPA, EA
josh@staffordandpeasall.com