



Dear Clients and Friends,

January 31, 2022

Happy New Year and welcome to the 2022 tax season! While we were hoping to put the pandemic completely behind us, it continues to dominate the headlines. We were also expecting by this time, the tax changes from President Biden’s “Build Back Better” agenda would have been finalized. However, Congress continues to debate the proposals, and uncertainty remains. We will monitor this as legislation continues to evolve, and we’ll communicate changes and impacts through our monthly newsletters and articles.

This past year was certainly exciting for us. In August, the local firm of Ed Slovacek, CPA, PLLC joined the Brewer, Eyeington, Patout & Co. family! Since 1974, Ed and his staff have been providing tax, accounting, and business consulting services in the Brazos Valley. We are excited about this addition and look forward to continuing to service all our clients’ needs.

### 2022 Tax Season Deadlines

While we always make a concerted effort to accommodate our clients, this year will be even more challenging due to the shortages in the labor markets that most industries are currently experiencing, accounting and professional services included.

As such, we will be closely monitoring our Firm’s workload and will inform you if there is a need to file an extension for your tax return.

*Note: This year’s deadline for filing Individual, Corporate, and Trust tax returns is April 18th.*

Type of Return	Federal Tax Filing Deadlines
W-2	January 31
1099-NEC	January 31
1099-MISC	February 28 (paper)
	March 31 (electronically)
S-Corporation	March 15
Partnership	March 15
Corporation	<b>April 18</b>
Trust	<b>April 18</b>
Individual	<b>April 18</b>
Non-Profit	May 16

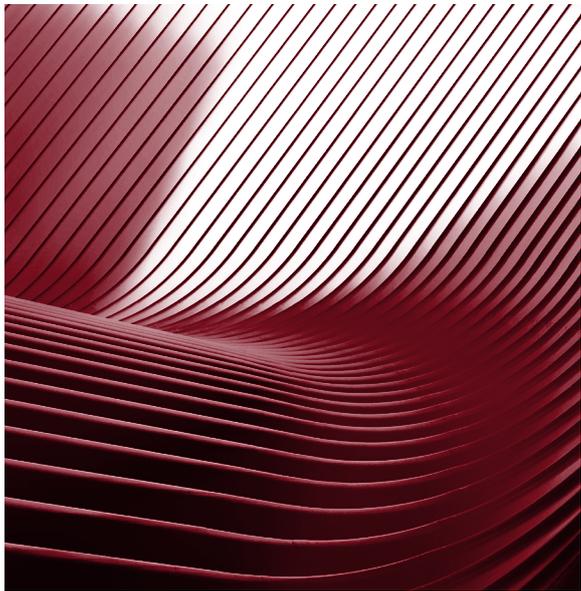
### How to Provide Your Information

Tax information may be provided to BEPCO in any of the methods defined below:

Delivery Method	Where to Deliver	Notes
Client Portal	www.bepcocpa.com	Please contact our office for more information
Secure Email	To your tax preparer	Contact your tax preparer to initiate a secure email
Drop Off / Appointment	Bryan or Navasota Office	You may drop off information at either location or setup an appointment with your tax preparer



We continue to encourage use of our **Client Portal** as the most secure way to send and receive confidential documents. If you do not have a Client Portal already, please contact our office. All we need is an email address to get you set up.



## **Office Information**

### **Bryan and Navasota Offices**

*Normal Business Hours:*

Monday – Friday, 8:00am – 5:00pm

*Saturday Hours:*

8:30am – 12:00pm for the following Saturdays only

-March 5th -April 2nd

-March 12th -April 9th

-March 19th -April 16th

-March 26th

### **Franklin Office**

Due to the current spike in COVID-19 cases, we will not be able to pick up or deliver tax information at the Pridgeon Center in Franklin. Please use one of the delivery methods identified above or contact our office to get us your tax information as soon as possible.

We are excited for this upcoming tax season! On behalf of our entire staff, we are grateful for your business and we appreciate your online reviews and referrals. For more information, please visit us at [www.bepcocpa.com](http://www.bepcocpa.com).



Best wishes to you all for a safe, healthy, and prosperous year ahead!

Amy Restivo  
Managing Partner  
Brewer, Eyeington, Patout & Co., LLP

# TAX AND FINANCIAL PLANNING

## **Economic impact payments (EIPs)**

The American Rescue Plan Act created a 3rd round of EIPs that were sent to qualifying individuals in March / April of 2021. As with last year's payments, the EIPs were set up as advance payments of a recovery rebate tax credit. If you qualified for EIPs, you should have received these payments already. However, if the IRS owes you more, this additional amount will be captured and claimed on your 2021 income tax return. If you received an EIP as an advance payment, you should receive a Letter 6475 from the IRS in January of 2022. Keep this for record-keeping purposes to help us determine any potential adjustment.

## **Child tax credit**

As part of the American Rescue Plan Act, there were many important changes to the child tax credit, such as the credit:

- Amount has increased for certain taxpayers
- Is fully refundable (meaning taxpayers will receive a refund of the credit even if they don't owe the IRS)
- May be partially received in monthly payments
- Is applicable to children age 17 and younger

The IRS began paying half of the credit in advance monthly payments beginning in July — some taxpayers chose to opt out of the advance payments, and some may have complexities that require additional analysis.

In January 2022, the IRS will send Letter 6419 with the total amount of advance child tax credit payments taxpayers received in 2021. You should keep this letter for record-keeping purposes to help us determine any potential adjustment. Individuals can also create or log in to their IRS.gov online account to securely access their child tax credit payment amounts.

## **Charitable contribution deductions**

Individuals who do not itemize can take a deduction of up to \$300 (\$600 for joint filers) for qualified cash contributions to qualified organizations. Taxpayers who itemize can continue to deduct qualifying donations. In addition, taxpayers can claim a charitable deduction for cash contributions to qualified organizations up to 100% of their adjusted gross income (AGI) in 2021.

## **Required minimum distributions (RMDs)**

RMDs are the minimum amount you must annually withdraw from your retirement accounts (e.g., 401(k) or IRA) if you meet certain criteria. For 2021, you should have taken a distribution if you were age 72 by the end of the year (or age 70½ if you reached that age before Jan. 1, 2020).

## **Unemployment compensation**

In 2021, there is no exclusion for unemployment compensation from income. The \$10,200 income tax exclusion, that a taxpayer may have received in 2020, is no longer available in 2021.

## **Virtual currency/cryptocurrency**

Virtual currency transactions are becoming more common. There are many different types of virtual currencies, such as Bitcoin, Ethereum and non-fungible tokens (NFTs). The sale or exchange of virtual currencies, the use of such currencies to pay for goods or services, or holding such currencies as an investment, generally has tax impacts.

## **Fraudulent activity remains a significant threat**

Our firm takes data security seriously and we think you should as well. Fraudsters continue to refine their techniques and tax identity theft remains a significant concern. Beware if you:

- Receive a notice or letter from the IRS regarding a tax return, tax bill or income that doesn't apply to you
- Get an unsolicited email or another form of communication asking for your bank account number, other financial details or personal information
- Receive a robocall insisting you must call back and settle your tax bill

Make sure you're taking steps to keep your personal financial information safe. Let us know if you have questions or concerns about how to go about this.

### **Additional tax and retirement planning considerations**

We recommend you review your retirement situation at least annually. That includes making the most of tax-advantaged retirement saving options, such as traditional IRAs, Roth IRAs and company retirement plans. It's also advisable to take advantage of health savings accounts (HSAs) that can help you reduce your taxes and plan for future reduced costs

Here are a few more tax and financial planning items to discuss with us:

- Let us know about any major changes in your life such as marriages or divorces, births or deaths in the family, job or employment changes, starting a business and significant expenditures (real estate purchases, college tuition payments, etc.).
- Consider tax benefits related to using capital losses to offset realized gains — and move any gains to the lowest tax brackets, if possible.
- Make sure you're appropriately planning for estate and gift tax purposes. There is an annual exclusion for gifts (\$15,000 per donee, \$30,000 for married couples) to help save on potential future estate taxes.
- Consider Sec. 529 plans to help save for education; there may be tax benefits in doing so.
- Consider any updates needed to insurance policies or beneficiary designations.
- Discuss tax consequences of converting traditional IRAs to Roth IRAs.
- Review withholding and estimated tax payments and assess any liquidity needs.

Whether it's working toward retirement or getting answers to your tax and financial planning questions, we are here for you. Please contact our office today at 979-268-1350 to set up a meeting with one of our tax planners.