

JUMP START

2024 YEAR END NEWSLETTER

PRE-TAX SEASON CLIENT UPDATES



HERE ARE SOME KEY CHANGES TO THE TAX CODE FOR 2024

ELECTION YEAR DELAYS

Major tax law changes are usually delayed during an election year, and this year is no different. And regardless of which party ends up occupying the White House, it doesn't mean Congress's habit of late tax changes won't impact your tax return. So stay alert! In the meantime, here's what you'll want to pay attention to when preparing your 2024 tax return.

KEY CHANGES

TAX BRACKETS AND RATES

The seven tax rates remain unchanged while the income subject to each rate is much higher. After a whopping 7 percent increase in 2023, there's an additional 5.4 percent increase in income subject to each tax rate in 2024. This means more of your income will be subject to a lower tax rate.

HIGHER RETIREMENT PLAN LIMITS

Higher inflation also increases the amount you can contribute to most retirement plans by \$500. Coupled with the tax bracket adjustments, you could have money to fund this expanded limit within your IRA, 401(k), 403(b), or 457 plans.

THE CURRENT 1099-K CHANGE

If you use third party payment processors like Cash App, Paypal, Venmo or sell tickets on apps like SeatGeek, you are more likely to receive a tax form of your activity that requires the activity to be reported drops from \$20,000 to \$5,000 in 2024. So if you receive a form, save it and report it!

RETIREMENT FUND DISTRIBUTION CHANGES

If you turn 73 in 2024 or later, you can keep money in a tax-deferred IRA or 401(k) for another 12 months before minimum distributions are required. And starting this year, Roth 401(k)s are no longer subject to required minimum distributions.

CHANGES ON THE HORIZON

Finally, unless Congress takes action, 2024 and 2025 are the final two years before tax laws roll back to those in place in 2017. This means being more vigilant than ever to take advantage of the rules before and after they change.

UNDERSTANDING REFUND DELAYS

When e-filing your tax return, you can generally expect to receive your refund within three weeks of your return being accepted by the IRS. Expect to wait four or more weeks, however, if you mail in your tax return. Here are some of the most common culprits for delayed refunds:

ERRORS OR INCOMPLETE INFORMATION

It could be an error in a Social Security number or a mismatch with how a name is recorded with the Social Security Administration.

NEEDS FURTHER REVIEW

The IRS may highlight a known area of error or fraud.

AFFECTED BY IDENTITY THEFT OR FRAUD

This can be as simple as a thief having already filed a tax return using your Social Security number.

BANK OR CREDITOR REFERS YOUR INFORMATION

To the IRS due to suspicious activity.

CERTAIN TAX CREDITS

If your tax return includes either the Earned Income Tax Credit or the Additional Child Tax Credit, the IRS may want to double-check the calculation.

YOUR RETURN INCLUDES FORM 8379 (INJURED SPOUSE ALLOCATION)

These returns can take up to fourteen weeks to process.

CHECK THE STATUS OF YOUR EXPECTED REFUND

If you expect a refund and it goes beyond the stated time frame AND it does not include one of the items listed above, visit www.irs.gov/wheres-my-refund to check on the status of your refund. You'll need the following information:

- Your Social Security number
- Your filing status
- The exact refund amount

Your refund status is typically available within one to two business days of filing. If your tax return is not found, it means a follow up may be required.



GET UP TO A
\$7000
REFUND ADVANCE



DEARBORN OFFICE

📍 23814 Michigan Ave
 Dearborn MI 48124

☎ (313) 626-6555

YPSILANTI OFFICE

📍 1775 Washtenaw Ave
 Ypsilanti MI 48197

☎ (734) 292-2444

**SEND A FRIEND AND
 EARN \$50 CASH**



SCAN ME WITH YOUR PHONE
 OR VISIT

WWW.ALLIANCE-TAX.COM/SENDAFRIEND

GETTING READY FOR TAX SEASON

Every year the tax code gets a bit more complicated. The filing of your tax return, though, doesn't need to be. Here's a checklist to ensure you have what you need:

LOOK FOR YOUR TAX FORMS

W-2s, 1099s, and 1098s will start hitting your mailbox in late January. Look for these forms and get them organized. Create a checklist of the forms to make sure none is missing.

IT'S ALL IN A NAME

If you were recently married or had a name change, file your taxes using the correct name. File any name change with the Social Security Administration as soon as possible.

COLLECT AND SORT YOUR RECEIPTS

Begin gathering and sorting your tax records to match the items on your 2023 tax return. If you aren't sure whether something is important for tax purposes, retain the documentation. Also consider the following:

REVIEW AND UPDATE YOUR WITHHOLDINGS

Review your W-2 and decide if now is the time to have your employer update your withholding amounts. A second review might be a good idea after filing your taxes.

COORDINATE YOUR DEDUCTIONS

If you and someone else share a dependent, confirm who will claim the dependent. This is true for single taxpayers, divorced taxpayers, taxpayers with elderly parents/grandparents, and parents with older children.

REVIEW OTHER INFORMATION

Review other parts of your financial life for possible organization and updates. This includes insurance, investments, legal documents, safety plans, identity theft protection, credit scores, retirement planning, retirement account contributions, and your home's annual budget.

MAXIMUM EARNED INCOME TAX CREDIT

For the 2024 tax year (taxes filed in 2025), the earned income credit ranges from \$632 to \$7,830, depending on your filing status and how many children you have.

No. of Children	2023 Maximum EIC credit	2024 Maximum EIC credit	Increase ↑	Max AGI, single or head of household	Max AGI, married joint filers
0	\$600.00	\$632.00	5%	\$18,591.00	\$25,511.00
1	\$3,995.00	\$4,213.00	5%	\$49,084.00	\$56,004.00
2	\$6,604.00	\$6,960.00	5%	\$55,768.00	\$62,688.00
3 or more	\$7,430.00	\$7,830.00	5%	\$59,899.00	\$66,819.00

BEAT THE RUSH

OPTION 1: SUBMIT YOUR INFORMATION REMOTELY

Our Mobile App: Refund Connect – gives you the ability to submit your information, upload pictures / documents and share them with us safely and securely. We can also chat about any questions you might have, all within the app.

START YOUR TAX RETURN REMOTELY:

VISIT: www.alliance-tax.com/submit-online

OPTION 2: SCHEDULE YOUR TAX APPOINTMENT

Our tax professionals can handle all of your tax needs, including help with getting you all of the tax credits, deductions, fast refunds, and more. Whatever your situation, we know how to get you the Maximum Refund.

SCHEDULE YOUR APPOINTMENT:

VISIT: www.alliance-tax.com/schedule