



(P) 301-869-8898  
(F) 301-963-6893

965 Russell Ave, Suite A  
Gaithersburg, MD 20879-3288  
www.ttatax.com

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Happy New Year!

We all hope you and your families are well and safe. We are glad to be starting a New Year full of promise. As we gear up for a new tax season, Marion Thompson and Ian Valdivia will be the primary preparers for 2023. Please take an opportunity to meet with Ian and get to know him. Michelle Palmer is our administrative assistant handling your requests for appointments and other administrative questions.

This letter is designed to give you the guidance for the information we need to prepare your 2022 individual income tax returns. We will ask you to read and sign the annual tax return engagement letter. Please find this on our web site in the downloads section. Also on our web site are the Streamlining Tips and the blank organizer. [www.ttatax.com](http://www.ttatax.com). Michelle can provide you the Personalized Organizer and Checklist at your request. [michelle@ttatax.com](mailto:michelle@ttatax.com)

We need to be sure that we have up to date contact information for all clients including email addresses and mobile phone numbers. Please bear with us as we ask for this verification.

We are taking in-office meetings this tax season. If you'd rather work remotely, that's fine. You can drop off, mail-in or upload information to our vault. Do not email us tax forms. Unfortunately, email is not secure. Upload to the vault pdf files, excel files and word files. Please no picture files. Please call Michelle to set up a meeting, or a Zoom call. We cannot provide the best service for you without talking to or meeting with you.

Please have all your tax materials to our office by **March 15, 2022**. Returns that come in after that date will need to be extended. Please be as early as possible with as much information as you can gather. If you have an investment advisor, they may be able to get us the investment and IRA information directly, with your permission.

In order to prepare your return this year we are required to obtain all Forms W-2's and 1099's from retirement, interest, dividends and brokers, Form 5498 showing the year-end balance for IRA and other retirement accounts, 1099-K, 1099-NEC and 1099-MISC from other sales activities, Form 1095-A forms for those with insurance from a state exchange, mortgage Forms 1098 and any other official IRS documents. Having these reports and forms also lets us know what was reported to the agencies so we can present your information in the most beneficial way. We must know about all contributions to retirement plans – IRAs, Roth IRAs, MDSaves and any other programs.

### **Deductions**

We still need to accumulate the information on your 1) medical, 2) state income and property tax, 3) mortgage interest, 4) charity and other deductions in order to apply the latest rules and to complete your state tax returns properly.

Please note the date paid for estimated tax payments to the Federal or state or provide us a copy of the check(s) and/or online payment history.

*Over please*

Employee work related business expenses are no longer deductible on the Federal return, but we may still need the information for your state return. If you incur a lot of these types of expenses, you need to discuss the use of an accountable plan with your employer. With many folks working from home this year a simple tool to help is to see if your employer has an accountable plan to reimburse you, tax-free, for the business use of your home.

### **Compliance**

IRS has a question on the 2022 Form 1040 asking whether you have bought, sold, traded or spent any virtual currency and we must ask you to verify this for us to avoid IRS penalties. Each time you trade or sell a virtual currency this creates a capital gain transaction.

IRS scrutiny of foreign accounts means that you need to be absolutely clear about any non-US accounts, income and assets so that we report it correctly.

Each year we look back and analyze the past year in our office. I hope you have found us to be responsive and helpful. If not, please let me know. We also consider time invested in training and keeping up to date with current tax laws and regulations. This year we see a need to increase the fees. If your return is similar to the prior year, the increase will be between 8-10%. Additionally, some clients may see a change in their fee depending upon their personal situation.

We are happy to meet with you throughout the year for tax and estate planning, retirement and similar income tax related issues, and sincerely appreciate your continued business each year.

Sincerely,

*Marion R. Thompson*

Marion R. Thompson, CPA  
President, [marion@ttatax.com](mailto:marion@ttatax.com)