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January 3, 2022

Dear JAA Tax Client:

We made it to 2022 and I am so looking forward to returning to our in-person appointments!

You have requested to either drop off, upload to Secure Drawer or mail us your tax documents this year. Please have this completed by March 1st, 2022. If you have any questions, please don't hesitate to contact our office.

There are two new forms created by the IRS for you to bring in this year. [IRS Notice 1444-C](#) is the letter regarding your "Third Stimulus Payments" and [IRS Letter 6419](#) is for the folks that received the "Advance Child Credit". If you do not have Letter 6419 yet and you did receive payments, don't worry, these will be sent out sometime prior to January 31st.

One thing to note, if you received the "Advanced Child Credit", please understand this was an advance of your usual Child Credit and your refund this year may be significantly reduced or your tax liability increased.

Attached to this letter is our "Questionnaire" and "Organizer". It is very important that you fill this out as completely as possible. We will also once again be required to have a signed Engagement Letter before we can begin work on your tax return. If we are meeting in person, you will sign this when you arrive. We introduced our e-signature option, Hello Sign, last year and will be using it again this year when appropriate. If we send you something to sign, it will come from our email at jaamanager@jonnaalbertaccounting.com. As in the past, once completed, your tax return will be loaded into your portal in its entirety. We will also provide anyone who wants one with a hard copy for your files. If you have requested to not have a portal set up, that wish has been honored as well.

Tax Planning

Important Changes for 2021:

--Every tax return, regardless of filing status, will be allowed to claim a contribution deduction with the proper receipts. This year the deduction is \$300 for a single filer and \$600 for a joint return. (These contributions must be cash; no non-cash are allowed for this deduction and written receipts are still required.)

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

--The last two years have seen explosive growth in US consumer interest in crypto-currency transactions, purchase and use. However, very few consumers understand the income tax and foreign reporting obligations that accompany crypto-currency activities and the incorrect and misleading information floating around on the internet is frightening. Congress and the IRS have both become aggressively involved in monitoring the activities and the failure to correctly report crypto. On

November 15th, the President signed stronger legislation to track these activities. As an example, are you aware that one penalty for failure to report crypto activities can be 50% of the highest balance in the account each year? Here are the 7 activities that require individual transaction reporting in addition to just reporting the existence of the account. You read that correctly--each transaction must be individually reported. For example, if you were to use crypto to buy a cup of coffee, we must report that transaction individually on your return!

1. Selling (converting) crypto to US Dollars *
2. Trading 1 crypto for another *
3. Spending crypto directly for goods or services *
4. Mining crypto from your own computers
5. Staking or lending crypto and receiving payment in crypto or dollars
6. Receiving Airdrop crypto
7. Getting paid in crypto

* Items 1, 2, and 3 require we report each and every transaction separately on your return! There are new companies springing up everywhere to track these transactions for you.

As we continue to be acutely aware of increased cyber activity, we are also aware of the need to protect our information. For the first time, the IRS is allowing anyone to apply for a taxpayer identification PIN to use for filing their individual tax return. This process takes 15 minutes. You will need to go to www.irs.gov and search "IP Pin". Once you apply for a pin, you will receive a new number every year and we CANNOT e-file without it. The letter they send you is very important and you must bring it in with your tax documents each year.

The final piece of this letter is to let you know that our preparation fees will be going up this year by approximately 10%. We have not raised the price on our 1040 form since 2012. This will be our practice across all forms. Our billing practice has not changed and we will continue to bill only for the forms we prepare for you.

I do sincerely appreciate the trust you place in me and my staff. We will always do our very best to serve you and continue to earn your trust!

Sincerely,

Jonna D. Albert
Jonna D. Albert Accounting & Tax LLC