**TAX NEWS & TIPS**

**Editor’s Notes**

**YEAR END ISSUE 2021**

**January’s “Important Tax Information Enclosed”**

What documents to look for in January…W-2, 1099s and 1098s. New 1099NEC for self-employed and 1099K for Cryptocurrency.

**Frequently Missed Info!**

Child Care expenses, Federal & State estimated tax payments, sales of property, college tuition, stock sales,   
K-1s, Social Security benefits, last pay stub and other miscellaneous items.

**Tax Tips for You… *Now!***

*Required Minimum Distributions (RMDs)*

• Begin at age 72

• 1st RMD may be delayed to April 1, 2021

*Charitable Contribution Deduction Expanded*Up to $300 deduction for Single taxpayers that do not itemize. Married couples filing a joint return are eligible for up to $600 deduction if they do not itemize.

*Interest on Series EE or I Savings Bonds can Become Tax-Free* • Bonds purchased after 1989

• Owner at least 24 years old and the taxpayer. Not the student.

• Redeemed to pay college, graduate school or vocational school tuition and fees.

• Subject to income requirements

*Advance Child Tax Credit* • Increased from $2,000 to $3,000

• Child age expanded to under 18 years old from under 17 years old

• Children under age 6 eligible for up to $3,600

• Up to ½ of credit sent in advance monthly beginning July 2021 and continuing through 2021

• Adjusted Gross Income limitations

• IRS Letter 6419 will report advance payments to taxpayer

**Myth vs. Truth**

All taxpayers with timely filed 2020 tax returns have received their refunds. False!

Social Security benefits are not taxable. False, sometime taxable based upon other income.

Easy to write-off gambling losses. False. Only deduct up to amount of winnings and then is an itemized expense on Schedule A.

**Social Security Review**

COLA of 5.9% expected beginning January 2022. Medicare premiums expected to increase less than $10 per month. Wage base increases to $147,000.



**Third Stimulus Payment**

Will be reconciled on 2021 Tax Return like 2020 Tax Return reconciliation of first 2 stimulus payments.

**Qualified Charitable Distribution (QCD)**

• For IRA distributions

• Account holder must be at least 70 ½

• $100,000 limitation

• Counts toward Required Minimum Distribution

• Only distributions to IRS recognized charities

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*If you have a topic that you would like included in a future issue of Tax News & Tips, please forward to rich@taxnewsandtips.com .*



**Rich DeLand**

*Editor*

**Upcoming Key Dates:**

Mid Year 2022 Issue

Subscriptions & Masthead Change Deadline: April 23

Newsletter Ship Date: May 21