



Personalized Tax Preparation for Over 25 Years

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Dear Clients:

I hope all is well and that all of you have learned to navigate safely in this ongoing COVID-19 pandemic. We are now approaching the second year in having to adjust our lives to a “new normal”. WRS will continue with No in-person office visits at this time, and we will also continue with the “curb-side” return pickup & drop off services as well. As always, we would like to extend our gratitude and thanks to our returning clients. And for our new clients who came on board this past 2021 tax season and to the new clients to come this 2022 filing season thank you and WELCOME. 😊

The 2021 tax season found itself again having to extend filing deadlines for two years in a row due to Congress last minute decisions that affected the 2020 tax return. These last-minute changes, such as excluding up to \$10K of unemployment income from being taxed, allowing pension income withdrawals to be spread over 3 years, the relaxing of the 10% pension early withdrawal penalty and NO RMD requirement for 2021 were all needed to help a struggling US economy because of the pandemic.

FYI, those all were temporary changes for tax year 2020 and **did not** get continued for this 2021 tax year. Still in place for the 2021 tax return are the tax changes resulting in lost deductions from the Tax and Jobs Act of 2019 (TJAC). The (TJAC) tax changes are still in effect and will be thru 2025. Stay tuned as Congress may yet vote to change a few more tax related things that could affect this 2021 tax return if they can get the “Build Back Better” Act to pass. Congress’s American Rescue Plan passed earlier this 2021 year did vote to reinstated some of our normal tax extenders. Those extenders listed below are extended thru this 2021 tax year:

1. Nonbusiness energy property credit
2. Mortgage Insurance Premium
3. Qualified mortgage debt forgiveness
4. Medical expense deductible more than 7.5% of AGI

WRS Housekeeping notes for 2021 Tax Year:

1. **The 2021 TAX YEAR CLIENT CHECKLIST:** (Please download from the website: [www.wrstax.com](http://www.wrstax.com)) I require clients to complete, sign, date, and return the Client Checklist with all tax documents.
2. **NONCASH DONATION SLIPS:** Each noncash donation slip submitted needs to be dated, have a brief description of the items donated, and the total value of goods donated.
3. **SCHEDULE C, SCHEDULE E Form Filers:** Clients should provide a summary of their income and expenses. There are helpful worksheets on the WRS Tax & Financial Services website that may assist you in categorizing your income & expenses (for these forms). Auto worksheets are on the website as well for those who use a vehicle in business related activities.
4. **FORM 2106:** (unreimbursed employee expenses no longer deductible).
5. **Reminder:** Due to our new normal, many clients are electing to social distance and have elected to scan and send their entire tax documents for tax preparation. This trend has caused an increased demand on in house supplies and time. Depending on how document intense the download is, a \$25 up to \$35 download fee has been instituted.
6. **IRS Notices:** Please include all IRS notices with your tax documents. For your 2021 tax return, the IRS will be sending out notices for receiving the (EIP3) 3<sup>rd</sup> Stimulus (Notice#1444c) and for receiving advances of the child tax credit (Notice#6419).

In closing, please visit my website monthly and click on the Client Resources tab. There you will find monthly tax newsletters and helpful tax tips. Also check out the worksheets tab, where you will find a variety of tax organizers and worksheets that may be helpful in preparing your taxes. Thank you again for your continued support and patronage of WRS Tax & Financial Services. Please stay tuned to my website for any office changes in operations as we all continue to navigate through this ongoing pandemic. Remain SAFE & STAY WELL! 😊

Sincerely,

*Warren R. Strother, III*

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