



Changes due to the pandemic seem to have slowed down finally, but items of note are listed below:

2022 & 2023 Highlights - of particular note for clients with businesses, is the newly created BOI report

	2022 Tax Law	2023 Tax Law
Standard Deduction	\$25,900 Married / \$12,950 Single / \$19,400 Head of Household	\$27,700 Married / \$13,850 Single / \$20,800 Head of Household
Charitable Donations	60% AGI limitation for cash donations; No deduction available for non-itemizers	Same as 2022; 60% AGI limitation for cash; No deduction available for non-itemizers
Required Minimum Distributions	RMDs for 2023 are required from retirement accounts for all individuals age 73 & older	Same as 2022; However, penalty for not taking RMD's has been reduced, and may be enforced
Residential Energy Credits	\$500 lifetime limit on total of all residential energy credits; \$200 lifetime limit on windows	\$500 lifetime limit removed, and replaced with \$1,200 annual limit for most items; Separate \$2,000 annual limit for pumps & biomass stoves
Stimulus Payments Advance Child Tax Credits Unemployment Benefits	No personal stimulus payments; No Advance Child Tax Credits; Unemployment benefits fully taxable	No personal or business stimulus payments; No Advance Child Tax Credits; Unemployment benefits fully taxable
Child Tax Credit	Returns to 2020 law - Maximum credit of \$2,000 for children under age 17 at 12/31/22; Max \$500 credit for dependents age 17 & over	Same as 2022; Maximum credit of \$2,000 for children under age 17 at 12/31/22; Max \$500 credit for dependents age 17 & over
Marketplace / Obamacare insurance	Same as 2021; Premium maximum of 8.5% of AGI extended through 2025 under American Rescue Plan Act	Same as 2022; Premium maximum of 8.5% of AGI extended through 2025 under American Rescue Plan Act
New FinCEN BOI reporting for nearly all LLCs & Inc's	No reporting required	BOI report due for new businesses within 90 days of biz registration; Existing businesses need to report by 1/1/25

2023 and beyond - Changes to Retirement Accounts under The SECURE 2.0 Act

	2022 Tax Law	2023 & Beyond Tax Law
RMD required beginning date	RMDs from Traditional IRA & similar accounts must begin the year you turn 72	Age limit raised to 73 as of 1/1/2023; Age limit raised again to 75 as of 1/1/2033
Penalty for not taking annual RMD	Missed RMDs subject to 50% penalty of amount not taken	Penalty reduced to 25%, and further reduced to 10% if corrected in a timely manner
Penalty Exception for \$1,000 Emergency Expense	No exception to penalty for emergency / hardship withdrawals	No penalty for up to \$1,000 of expenses under emergency exception - 3 year payback window
Conversion of 'Long-Term' 529 Plan funds to Roth IRA	No ability to convert 529 funds; limited options for use of 529 for other purposes - most non-education withdrawals subject to 10% penalty	For 529 accounts open for at least 15 years, up to \$35,000 can be rolled over into a Roth IRA - this is a lifetime limit
Retirement savings lost and found	No means to search for prior employer retirement plan accounts	Searchable DOL database to find prior employer accounts - to be ready near Dec 2024

And, as far as changes to tax favored accounts for 2024, everything gets an increase this year:

	<u>2023</u>	<u>2024</u>	<u>Catch up Contribution</u>
401K	22,500	23,000	Over 50 - Remains at 7,500
SIMPLE	15,500	16,000	Over 50 - Remains at 3,500
IRA	6,500	7,000	Over 50 - Remains at 1,000
HSA - Single	3,850	4,150	Over 55 - Remains at 1,000
HSA - Married	7,750	8,300	Over 55 - Remains at 1,000

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