

Plan for Success

Providing Guidance for Tax and Financial Planning

January 2024

HSA—Health Savings Account

HSAs are a great way to build up money through the year to pay for unforeseen medical expenses that naturally arise. HSAs are a great tax advantage; contributions are deductible or are from pretax wages. They don't have a use-it or lose-it rule, unlike flexible spending accounts.

In order to be eligible for an HSA, you must have a high-deductible health plan. If your employer doesn't offer one, check with your insurance company or bank.

For 2024, the minimum allowable deductible for a health plan is \$3,200 for family coverage and \$1,600 for self-only coverage. Out-of-Pocket costs, including copayments, can't exceed \$16,100 a year for family coverage and \$7,500 for individual coverage. In 2024, the maximum amount you can put in your HAS is \$4,150 individually and \$8,300 for families. People over 55 can stash an extra \$1,000.

Retirement Age - If you are eligible for Medicare, you can't contribute to an HSA. If you have a balance in your account at 65, you can use that money on a tax-free basis to pay monthly part B and D premiums as well as take tax-free payouts for out-of-pocket medical costs.

To learn more, go to: <https://www.nerdwallet.com/article/health/what-is-an-hsa>

Things to Remember

- 4th estimated personal income tax payments for 2023 is due January 15, 2024.
- 4th quarter 2023 payroll forms will be due January 31, 2024.
- Quarterly accrual accounting clients should have inventories, accounts receivable, and accounts payable balances as of December 31, 2023.
- Monthly accounting clients, please have your work papers into the office by the 10th of the following month.
- Keep those mileage logs up to date!



Your small business accounting and tax specialists.

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(414) 321-0555



Tax Season Planning

Be prepared this season with these few helpful tips:

- Organizers are headed your way, please read and fill them out fully. They will help you and us with your personal tax return preparation. Don't forget your signature on the 2nd page of the cover sheet!
- Keep a folder and put items in it as they come in the mail or your email for 2023 taxes.
- Don't forget to save all receipts from donations and note what it was for if it's not on the receipt and how much it's worth.

Gig Work

The number of "gig economy" contract workers has grown in recent years, with 57 million Americans taking on freelance work in 2019. During the COVID-19 pandemic, even more workers joined the gig economy, as those who lost their full-time jobs began freelancing to make ends meet.

IRS is trying to raise public awareness in the area of the "gig" economy. Freelance service "gigs" is income to the taxpayer and you must report this extra income with your personal tax return. This includes part-time, temporary or side work paid in any form including cash, property, goods or virtual currency. Examples of gig work include: driving a car for booked rides, selling goods online, renting out property or providing other on-demand work.

Keep in mind with earned income, estimated tax payments may be required. This income may also be subject to self-employment tax including Social Security and Medicare taxes. Good recordkeeping is important.

Taxpayers should review the **worker classification** information on the IRS.gov website to see how they should be classified.

2023 Mileage Rates

.655 cents per mile for business miles driven

.22 cents per mile driven for medical or moving purposes

.14 cents per mile driven in service of charitable organizations

**2024 Rates will be on our March Edition
Check out our website for more information now.**

Disclosure

Additional issues may exist that could affect the federal tax treatment of the transaction on the matter that is subject of this advice and this advice does not provide a conclusion with respect to such issues. With respect to such issues outside the limited scope of this advice, the advice was not written and cannot be used for penalty protection.

In our Next Issue:

- * Updates
- * Reminders
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- * Overcoming Debt
- * Donations

DROP BOX

On the front of our building on the porch is a secure drop box where you can drop your items if we are not in the office when you stop by. Just secure the padlock (found inside the box) to the front and we'll retrieve your papers when we return. Thank you!

Office Hours

Beginning Jan 8, 2024

Monday - Thursday

8:00am - 5:00pm

Friday

8:00am - 4:00pm

Saturday

9:00am - 2pm

If you need to stop by

please call ahead

414-321-0555



"Plan For Success"

9232 West Howard Avenue
Greenfield, WI 53228-1644

«Company»

«First Name» «Last Name»

«Address»

«City», «State» «Zip»

Management Services Offered:

Bank Reconciliations
Payroll Services
Tax Liability Reporting
General Ledger
Financial Statements
*Compilation
Business Plans
Financial Planning
Coaching
Projections
Tax Return Preparation
Notary Public

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