



HONECK ·
O'TOOLE

...where people count

1st Quarter 2023

5 WAYS TO STAY CURRENT ON YOUR FINANCIAL RECORDS

A fresh new year is a great time to do an annual financial "checkup" to make sure your records and accounts are in good order. With these steps, you can take comfort in knowing your financial data is accurate, protected, and just what you expect. You may even discover some unclaimed property!



Here's what we recommend for your checkup:

SSA.gov www.ssa.gov/myaccount

Visit the Social Security Administration website to check your wage history and future benefits. You can see if all your income has been accounted for and get the latest figures on your retirement amounts. If you see anything that needs to be corrected, call 1-800-772-1213 or go to www.ssa.gov/agency/contact

Annual credit report: FREE once a year at www.annualcreditreport.com

You should be checking your credit report more than once a year, ideally. But if you do an annual checkup now, make sure this is part of it. You'll see a complete picture of the items that affect your credit rating (such

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renews

Ideas to help small businesses and individuals maximize income while minimizing taxes.

Important Dates for 2022 Tax Season

RETURNS FOR INDIVIDUALS, FIDUCIARIES, AND CORPORATIONS:

- **We need ALL your information by Wednesday, March 1st, 2023** — **THIS INCLUDES OUR REQUIRED TAX ORGANIZER (see FAQs on page 3)** — so we can file your return by April 18th. In 2023, Income Tax Day is Tuesday, April 18th since Emancipation Day falls on Monday the 17th.

- **If you can't meet this deadline, we'll file an extension for you.** However, you'll need to send any balances due to the IRS and state(s) **on or before April 18th**. We can help you estimate the amounts.

RETURNS FOR S CORPORATIONS AND PARTNERSHIPS:

We need your information as soon as possible so we can help you file your return by the March 15th deadline. Or we can extend until September 15th, 2023. **Sooner is always better!**

Use Your SmartVault Client Portal. It's the fastest and most secure way to send us your information. Need help accessing your Client Portal? **Contact us: 207-774-0882 or info@honeckotoole.com.**

IMPORTANT E-FILE FORM!

Since we're required to file all returns electronically, nearly all client tax returns will be exclusively delivered electronically via SmartVault. We'll request electronic signatures for E-File Authorization Forms through DocuSign. Make sure you've reviewed and e-signed your return no later than **5:00 PM on Monday, April 10th, 2023** — so we can E-File your return by Income Tax Day. Every return has its own E-File form(s) every year which can only be signed once returns are complete.

as credit card payment history), giving you an idea of what lenders may see when you apply for a loan. You'll also get tips on how to report and correct any inaccurate or incomplete information.

Passwords to all your financial accounts (See links below)

If you're not using a secure online password manager such as 1Password, Keeper, or Dashlane, consider signing up now. It can be a godsend, storing all your passwords in one safe place only you can access. Plus, you can use it to generate strong passwords in seconds. If you DO use a password manager, this is a good time to update all your passwords. Visit 1password.com, www.keepersecurity.com, or www.dashlane.com.

Beneficiaries, Will, and family access to your digital accounts

Our team sometimes hears about frustrating situations where a deceased family member's financial assets are password-protected, and no-one can get access. Help your family avoid the major headaches we hear about so often! For instance... do you have beneficiaries set up for your different accounts such as your 401(k)? Do you have a Will with clear instructions to manage your accounts in case of death, or a Power of Attorney if you're incapacitated? And does your family know how to access your accounts so they can manage and close them if needed?

Take time to provide arrangements for your family. For instance, add someone "payable on death" to your bank accounts. Make sure someone has access to your cryptocurrency/digital wallets because they may not be easily transferrable on death. (This article offers great information about digital wallets: bit.ly/3kh7aTi).

Unclaimed property

National <https://unclaimed.org/search>

Maine www.maineunclaimedproperty.gov

Who doesn't like to find money! You may be surprised when you take a look. Enter your state, name, and ZIP code to see if your name shows up, and then follow the prompts if it does!

Questions about these different tips?

Contact us at [207-774-0882](tel:207-774-0882) or info@honeckotoole.com. 📞



HOW TO PROTECT BUSINESS INFORMATION WHEN EMPLOYEES ARE WORKING REMOTELY

Buried within a November 2022 IRS news release related to holiday scams and protecting personal information, **there's a helpful set of cautions for businesses with employees working from home (WFH) or any remote location.** While businesses and employees are enjoying many benefits from the WFH revolution... there can be drawbacks as well, including protecting your business information. **The following IRS recommendations may help.**

- Use separate personal and business computers, mobile devices, and email accounts.
- Do not send sensitive business information to personal email devices.
- Do not conduct business, including online business banking, on a personal computer or device.
- Do not engage in web surfing, gaming or video downloading on business computers or devices.
- Do not share USB drives or external hard drives between personal and business computers or devices.
- Never connect an unknown/untrusted piece of hardware into the system or network.
- Change passwords often. Every three months is recommended. Consider using a password management application to store passwords.

We rounded up a few more tips from a variety of business sites:

- Provide company computers and require staff to use them.
- Use a double-encrypted online storage solution (secure cloud)... or set up and use a Virtual Private Network (VPN) for all business activity. To learn about setting up a VPN, visit this article: www.security.org/vpn/setup
- Make sure all employees complete security training, annually or more often. 📞

DISCLAIMER: Any accounting, business, or tax advice contained in this communication are not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties. If desired, Honeck O'Toole would be pleased to perform the requisite research and provide you with a detailed written analysis. Such an engagement may be the subject of a separate engagement letter that would define the scope and limits of the desired consultation services.



NEW 2023 MILEAGE RATES, PLUS A 2022 REMINDER

Here are the IRS 2023 standard mileage rates for cars, vans, pickups, and panel trucks (including electric, hybrid-electric, gasoline, and diesel-powered vehicles).

- **65.5 cents per mile driven for business use**, up 3 cents from the midyear increase setting the rate for the second half of 2022
- **22 cents per mile driven for medical or moving purposes for qualified active-duty members of the Armed Forces**, consistent with the increased midyear rate set for the second half of 2022
- **14 cents per mile driven in service of charitable organizations**; the rate is set by statute and remains unchanged from 2022

REMEMBER THE 2022 "SPLIT": When sending us your 2022 mileage information, please follow the two different 2022 mileage schedules:

	January 1 – June 30	July 1 – December 31
Business	58.5 cents per mile	62.5 cents per mile
Medical/Moving	18 cents per mile	22 cents per mile
Charitable	14 cents per mile	14 cents per mile

As always, keep a log of miles driven, the date, time, and place of travel, and the purpose. The IRS may ask to see it! 🚚

OUR MOST COMMON TAX SEASON FAQs

Got a question about taxes? You're probably not the first to ask. Each year, we receive several common questions from clients... and this year, we've created a web page with detailed answers.

HERE'S THE MOST IMPORTANT ONE:



Q: Do I need to complete my Tax Organizer? Can I just send you my tax forms?

A: We're required to ask certain questions every year before we can complete your return. Please complete all the questions, provide updated e-mail address information, and send your Tax Organizer to us by March 1, 2023. We won't begin working on your returns until we've received your Organizer! Thanks.

Here are a few other top questions. Visit honeckotoole.com/faq for the complete list and all answers.

- I submitted some of my information on March 1st, does that guarantee it will be prepared by April 18th?
- My tax preparer requested additional information, which took me time to gather. Now that I've sent in the remaining information, how long until I have my completed returns?
- I received my completed tax returns, but do not want to pay my tax balances until the April deadline. Should I wait to sign the E-File Authorization Form 8879?
- I'm going to be out of town in April, can I sign the E-File Authorization Form in advance? 🚚

IRS DELAYS \$600 THRESHOLD REPORTING FOR 3RD-PARTY PAYMENT PLATFORMS

You may recall an IRS ruling change in 2021 where third-party platforms such as CashApp, PayPal, Square, Venmo, and others were required to report any parties receiving more than \$600 in income per year. Income gained through these platforms would trigger an IRS Form 1099-K to be issued to the recipient. The recipient would then be required to report that income on their tax return.

Complicated? Confusing? You bet. Because quite often, the apps weren't distinguishing between personal and business income. The IRS received an overwhelming number of complaints and requests for clarification on this ruling.

Therefore, in late December 2022, the IRS announced that this new reporting requirement has been delayed for a year. It will begin in 2024 for tax year 2023.



For more information, visit this IRS Tax Tip article: <https://bit.ly/3QQJYHM> 🚚

PAM FOSTER

Local Marketing Makeovers

Not only has Pam Foster been writing our own quarterly *ReveNEWS* issues since 1995 (28 years now!) — she wrote our website content. She's written websites for many, many local small businesses including Maine's MrLakefront.net and DestinationMaineWeddings.com.



One of the most common issues she's seen with local businesses is that it's hard to keep up with WHAT WORKS online. She said, "There's a never-ending stream of marketing advice out there, and much of it is overwhelming with technical jargon and up to 120 different online channels. Oy! You're busy running your business and that's hard enough. It shouldn't be a major pain to manage your website and Google Business Profile as well."

That's why Pam and two of her marketing colleagues have teamed up to launch **Local Marketing Makeovers**, offering expert guidance to small, local businesses. Their flagship offering is an e-Book called, "**1-Hour Local Marketing Makeovers for Your Small Business.**" Pam noted, "After decades of seeing local businesses miss out on steady sales due to a few basic website issues — I'm happy to offer DIY tips that can make a huge difference. If you own a local website and you do just the 5 things we recommend, you'll definitely see an uptick in website visits that turn into more revenue."

We can vouch for that! Visit <https://localmarketingmakeovers.com/> to learn more. 📄

AMY C. SEDGWICK, MD, FACEP, E-RYT

Medicine Within, LLC



Amy Sedgwick

Dr. Amy Sedgwick is a busy and successful medical practitioner who balances three different missions. First, she's a board-certified emergency medicine physician and a partner at Intermed, where she practices medicine in Urgent Care.

Second, she owns Medicine Within, a Falmouth-based practice offering acupuncture, yoga, myofascial work, and meditation. She told us, "Four years ago, I realized that I wanted to treat patients in a format that did not involve working in a hospital or other healthcare system... so I started my own stand-alone, fee-for-service practice. I see my patients through several lenses and in doing so, offer a unique, multi-disciplinary approach to issues they're dealing with."

Medicine Within sees patients from greater Portland and other locations including out of state. Her business has continued to grow each year, even after shutting down for several months at the start of the pandemic. She added, "It has been such a wonderful experience to see my patients improve and feel well over the time I've been working with them." Visit www.medicinewithinco.com for details.

And her third mission? Dr. Amy teaches acupuncture to physicians through the AcuMed course affiliated with UNE. She said, "We teach our style of acupuncture — which is a Japanese approach — to medical providers from all over the world. It has been an incredible honor to be part of this group and I continue to learn so much every time I work with them." 📄

IMPORTANT TAX DATES FOR 2022 TAX SEASON ENCLOSED



IMPORTANT! Return your completed 2022 Tax Year Organizer by March 1, 2023! In mid-January, we mailed our annual Tax Organizer for gathering required 2022 items for your tax return. If you didn't receive your Organizer, please call or email us right away.

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