



Tax Tip\$ Annual Newsletter



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Remembering a Life

By: [Pamela Chauvin Trahan](#)



When Should You Take Social Security? Feature Story—Pages 6-9

Inside:

IRS Backlog	2
Standard Mileage	3
Scam IRS Calling	3
Major Tax Law Changes	3
Computer Center	3
Taxes—Good to Know	4
Dependent and Child Tax Credits	4
Business Meals	4
Online Sports Betting	4
Unemployment	4
Electronic Payments	4
Student Loan Forgiveness Exclusion	4
Benefits of Digital Tax Preparation	4
Submitting Documents & Making an Appointment	5
Feature Story: When Should you Take Social Security	6-9
Contact Us: Meet the Staff	9
Getting Organized for 2021 Tax Year	10
Refund Transfer	10
irs.gov Enrollment	10
LDR & New Laws	11
IRS Correspondence	11
Tax Prep Checklist	12
Consent Forms Packet	13-18
Client Info Worksheet	19



I've written numerous tax newsletter articles in my career, but this one is the hardest to compose. By now, most of you are aware that on October 14, 2021, my dad, Donald Patrick Chauvin, died at the age of 77.

Those who know my father and I, know how broken I was after his passing. That is because he was much more to me than just my father; he was also my best friend, my confidant, and my guide. My Dad, to put it simply, is irreplaceable in my world.

Even though I am a competent woman, I always knew I was Daddy's little girl. It sounds odd, because I am a mom with three grown children, a grandmother, a successful tax accountant, and an independent woman capable of dealing with almost anything. To say I miss him is an understatement. How my life has changed only I know. I miss discussing and consulting on things with him. I miss his guidance, and most of all, I miss his presence. Each day that goes by, I learn something new about me, my Dad, and how unique our relationship was and still is.

Every now and then, the universe produces an extraordinary human being. I believe my Dad was just that - extraordinary! At his funeral, I heard repeatedly, "...we lost a good one!", "...he

was one of a kind!", "...there will never be another like him!"; I agree! Dad was a pioneer and a visionary leader. He was a phenomenal father, grandfather, husband, and loyal friend to many. He was honest and trustworthy. He had a dry sense of humor, a hearty laugh, boundless compassion, and deep knowledge of the world (he was Siri before there was a Siri). Dad dedicated his adult life to various community service organizations and projects but his true passion was Rotary International. Rotary's motto, "Service Above Self," was his creed; words he chose to live by.

Although Dad loved his profession and appreciated all of his clients, he decided to retire last year. As a result, he was able to spend quality time with my mother on the patio swing sipping their favorite teas and often pausing to take an afternoon nap. I'd say that after 52 years of working, it was long overdue and well-deserved!

Legacy can be a burden or a gift, depending on your perspective. Dad dedicated his life to making **FACTS-5** what it is today. It's a wonderful legacy; one that I am proud to carry on. I am very aware that this "gift" is a responsibility. I know, while I can never match the many things he did, I do aspire to be good enough so that when people look into my eyes, they see a bit of my father in me.

Donald P. Chauvin
1944-2021

Rotary



DAD

Always on my mind
Forever in my heart
I love you



FACTS-5



Online: @ www.facts-5.com
New Website Coming Soon!

Getting Ready for Tax Filing...



FACTS-5 Tax Tip\$ Newsletter

is filled with practical advice and money saving tax tips to help you minimize your tax consequences and help you prepare for the upcoming 2022 tax season.

Let's take a look at a few things you can do now to prepare for the upcoming tax season...



IRS

Department of the Treasury
Internal Revenue Service

IRS Backlog Continues

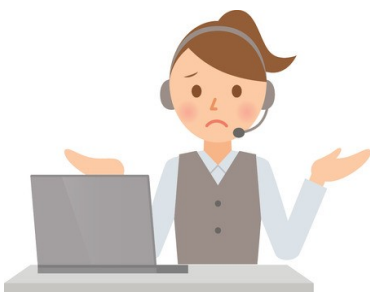
By: Pamela Chauvin Trahan

It's tax season....again.

I know the last couple of tax filing years have been frustrating, to say the least, due to Covid, constantly changing tax laws, PPPs, EIDLs, RRFs, delayed

refunds, late and non-responses from the IRS...the list goes on and on! So, will the 2022 tax-filing season be any different? My prediction is NO! I am certain that tax season, once again, is going to be a hot mess, and that's putting it mildly!

The IRS is in crisis! After a horrendous 2021 tax filing season, the Internal Revenue Service will start the tax season with a **massive backlog!** Several of our clients are still waiting on their 2021 tax or amended return refunds. The IRS will kick off this tax season with a backlog of more than **11 million** unprocessed returns and **5 million** pieces of unanswered correspondences from last year! The three most significant reasons for the pileup are that the federal government overloaded the IRS by putting them in charge of administering stimulus payments and other programs during the pandemic, budget constraints, and staffing shortages. Experts warn that we should expect refund delays as they try to overcome these enormous challenges. Also, if you are thinking about calling them to get information or complain, don't waste your time! Customer service at the IRS is so bad even we tax pros are fed up! Only 9 percent of the calls for customer support were answered in 2021. Last spring, the IRS had fewer than 15,000 employees available to handle more than 240 million calls; that's one person for every 16,000 calls.



If the disastrous backlog of returns wasn't bad enough, taxpayers will have to account for the third \$1400 stimulus check and the Advanced Child Tax Credits payments that many have received. According to some statistics, 1 in 3 households received the monthly Advanced Child Tax stimulus payments that were issued from July 2021 through December 2021. Unlike the



other checks the government has been sending out, which were "windfalls" (no repayment needed), the Advance Child Tax Credit checks will affect your 2021 refund. Even if you logged into the IRS website and "opted out" of these payments, you still received at least one payment in July that needs to be accounted for on your 2021 taxes. Hence, if you do not report the correct amount you received, the IRS will have to manually adjust your return to correct your tax account. Now, visualize your return sitting at the bottom of the 11 million stack of returns; you will be waiting a very long time for that refund check! So get it right the first time; avoid amending your return if at all possible. Be sure to bring us your IRS letter 6475, which details your 3rd EIP check, and letter 6419, which details your advance CTC if applicable.

If you think that all of the above-mentioned wasn't enough to create a "hot mess," then keep a close eye on potential legislative changes that could affect your return. The Build Back Better Act ("BBBA") is only a few votes shy of passage. This act contains numerous tax provisions (many of them retroactive to 2021) and substantially more funding to the IRS to help pay for BBBA new programs. If Congress passes the BBBA, this alone will make for another exasperating tax season; a hot mess indeed!

Nevertheless, I sympathize with the hardworking men and women at the IRS. I can't imagine how stressed they all must be. Like you and I, they are just hardworking people trying to make a living.

I want to personally thank each of you for entrusting **FACTS-5** with the preparation of your important tax return. I never take this trust for granted. I do understand that you have a choice. I appreciate that your choice is **FACTS-5** and we will continue to strive to exceed your expectations in our continuing service to you and your family.



Tax Tips



Starting **January 1, 2022**, the standard mileage rates for the use of a car, van, pickup, or panel truck are as follows:

- 58.5 cents per mile driven for business use, up 2.5 cents from the rate for 2021,
- 18 cents per mile driven for medical or moving purposes for qualified active-duty members of the Armed Forces, up 2 cents from the rate for 2021, and
- 14 cents per mile driven in service of charitable organizations. The charitable rate is set by statute and remains unchanged.

How to Know if it's Really the IRS calling?

The IRS will never:

- ⇒ Call to demand immediate payment using a specific payment method such as a gift card, prepaid debit card, or wire transfer. Generally, the IRS will first mail a bill to any taxpayer who owes taxes.
- ⇒ Demand that taxpayers pay taxes without the opportunity to question or appeal the amount they owe. All taxpayers should be aware of their rights.
- ⇒ Threaten to bring in local police, immigration officers, or other law enforcement to have the taxpayer arrested for not paying.
- ⇒ Threaten to revoke the taxpayer's driver's license, business licenses, or immigration status.

If you've been targeted by a scammer:

- Contact the Treasury Inspector General for Tax Administration to report a phone scam. Use their [IRS Impersonation Scam Reporting webpage](#) or call 800-366-4484.
- Report phone scams to the Federal Trade Commission. Use the FTC Complaint Assistant on [FTC.gov](#).
- Report threatening or harassing telephone calls claiming to be from the IRS by emailing phishing@irs.gov. Include "IRS phone scam" in the subject line.



Major Tax Law Changes For 2021

Child Tax Credit Changes

The American Rescue Plan raised the maximum Child Tax Credit in 2021 to \$3,600 per Child, for qualifying children under the age of 6 and to \$3,000 per child for qualifying children ages 6 through 17. **Before 2021**, the credit was worth up to \$2,000 per eligible child, and children 17 years and older were not eligible for the credit. In addition, the entire credit is fully refundable for 2021. This means that eligible families can get it, even if they owe no federal income tax.

Earned Income Credit Changes

- This credit will get you between \$1,502 and \$6,728 in tax year 2021 depending on your tax-filing status and how much you make.
- If your AGI was less than about \$57,000 in 2021, it's something to look into, though if you had more than \$10,000 of investment income, dividends, capital gains and a few other things in 2021, you won't qualify.
- For the 2021 tax year, there are special rules due to coronavirus: You can use either your 2019 income or your 2021 income to calculate your EITC, and you can use whichever number gets you the bigger EITC. Be sure to ask your tax preparer to run the numbers both ways.

Standard Deduction

In 2021, the standard deduction **increases** to \$12,550 for individuals (up from \$18,650 in 2020) and to \$25,100 for married couples (up from \$24,800 in 2020). \$18,800 for heads of households (up from \$18,650 in 2020).

Standard Mileage Rates for 2022



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Tax Tips



Benefits of Digital Tax Preparation

- Saves you a trip to the office
- FASTER PROCESSING = FASTER REFUNDS
- Communicate by email/text and/or Zoom, directly with our tax team
- Quickly & conveniently upload your W2's and other tax docs 24/7
- No contact tax preparation
- No appointment needed
- Access current and prior year tax returns from our secure ShareFile Client

Dependent Care Credit and the Child Tax Credit—"There's gold in them kids this year!"

2021 was a very good year to have dependent children. However, all of these changes are only effective for 2021 at this time. The care credit increased significantly and is fully refundable even if you have no tax liability, so don't forget to keep track of your work-related childcare expenses. As a reminder, dependent care includes all daycare expenses for a child age 13 and under or for a disabled individual of any age. It includes adult daycare but does not include overnight camp. The dollar limit for eligible expenses is now \$8,000 for one child and \$16,000 for two or more qualifying children. We will need the daycare provider's name, address, and taxpayer ID number (s) to claim the credit.

GOOD to KNOW



Business Meal Deductibility

For 2021 and 2022 ONLY, 100% of business meals will be deductible if provided by a restaurant. Travel meals are still only deductible at 50%. This change only affects business owners and self-employed taxpayers, not employees.



Online Sports Betting

Online gambling has been increasing in popularity. Remember, all winnings are subject to federal and state income tax, whether or not you receive a W-2G or form 1099. You may write off losses to the extent of your winnings as an itemized deduction; however, you will need proof of the losses.

Unemployment

If you collected unemployment this year, you should receive a Form 1099-G reporting the total payments and any tax withheld. These forms can be accessed and downloaded through your unemployment account online. **Online:** www.louisianaworks.net

Electronic Payments

1099K's will be issued to any taxpayer who settles \$600 or more in goods or services through an online storefront or processor such as PayPal, Amazon, Etsy, etc. If you have an online "side business", talk to your tax preparer about how this will impact your tax return.

Student Loan Forgiveness Exclusion

Student loan debt forgiveness may be excluded from taxable income if you work in a certain profession for a certain period of time in some type of public service. It also may be excludable in the case of death or disability of the borrower.

For tax years 2021 through 2025, any discharge of student loan debt for any reason, including private student loans, may be excluded from taxable income, as long as there is no provision for the student to provide services to the discharging lender.

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- Tax Management Services
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2022 Tax Season Prep



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or
Email: morgan@facts-5.com

CALL TODAY! In-office appointments are back and booking up FAST!



Zoom tax conferences remain popular! We will continue to offer Zoom tax preparation services due to it's many wonderful benefits! We encourage you to continue utilizing this convenient and time saving technology. **Be sure to have Zoom installed on your device prior to your appointment.** You should receive a Zoom LINK from us in advance of your appointment.



IMPORTANT

You **MUST** get your tax documents to **FACTS-5** a minimum of **2-weeks** prior to your scheduled appointment.

This will allow us time to make any necessary scheduling adjustments, insuring your tax return is prepared before April 18th.

For your convenience, we offer several very simple ways for you to **get your important tax documents to us:**

⇒ You can scan or take pictures of all your important tax documents, with your smart device. Use our secure ShareFile Client Portal to upload your imaged documents, just as you did last year! or you can Email: todd@facts-5.com to request a new **UPLOAD LINK**. This link will allow secure private access to our online Client Portal. Here you can view prior year tax returns and other important documents we have on record for you. Uploading documents to the portal is easy, secure and fast!



⇒ You can use our convenient drop box located at the front of our office building located at 118 LeBlanc Street, Abbeville - 24hrs/day 7days/week!

⇒ You can FAX your documents to 337-898-2787, or

⇒ USPS MAIL to: PO Box 698, Abbeville, LA 70511-0698

Payment for **FACTS-5** services are due when your tax return is completed. We accept cash, check, and all major credit cards (AMEX excluded).

We can also offer you the "*no money out of pocket*" option known as an RT; Ask about our Refund Transfer option (*details on page 10*).

NOTE: We **MUST** have a signed **E-File Authorization Form** and payment before we can E-File your tax return.



IMPORTANT

Consent Forms Packet

Attached to this newsletter are important documents which require your signature.

Please complete these forms and return them to our office a minimum of **2-weeks** in advance of your scheduled appointment.

Digital/Fillable forms are available via our [website](#) or by email request to: todd@facts-5.com.

Printable &/or Online Fillable .pdf Forms also AVAILABLE for download

@ www.facts-5.com/downloads



DISCLAIMER: We may have to reschedule your appointment if your tax documents are not received timely.



We use **Facebook** to share important news, updates, and other important information throughout the tax year. Be sure to visit and LIKE our page to stay informed.



When Should You Take Social Security?

The decision of when to take Social Security is highly dependent on your circumstances. You can start taking it as early as age 62 (or earlier if you are a survivor of another Social Security claimant or on disability), wait until you've reached full

retirement age or even until age 70. While there's no "correct" claiming age for everybody, the rule of thumb is that if you can afford to wait delaying Social Security can pay off over a long retirement. Here are some of the rules and guidelines.

What's full retirement age?

Full retirement age (also known as "normal retirement age") is when you're eligible to receive full Social Security benefits. Your full retirement age depends on your birth year: Under current law, if you were born in 1955 or later, your full retirement age can be anywhere between age 66 and 2 months—all the way up to age 67 for those born after 1959. If you were born before 1955, you've already reached age 66 and full retirement age.



What if I take benefits early?

If you choose to receive your Social Security check up to 36 months before your full retirement age, be aware that your benefit is permanently reduced by five-ninths of 1% for each month.

If you start more than 36 months before your full retirement age, the benefit is further reduced by five-twelfths of 1% per month, for the rest of retirement.

For example, let's assume that you stop working at age 62. If your full retirement age is 66 and 2 months you elect to start benefits at age 62, the reduced benefit calculation is based on 50 months.

This means that the reduction for the first 36 months is 20% (five-ninths of 1% times 36) and 5.83% (five-twelfths of 1% times 14) for the remaining 14 months. Overall, your benefits would be permanently reduced by 25.83%.

Retirement ages for full Social Security benefits

If you were born in...	Your full retirement age is...
1954 or earlier	You've already hit full retirement age
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

FACTS-5




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Club of Abbeville



10th Annual
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Featuring: *Shayma Tash & Eric O'Shea*

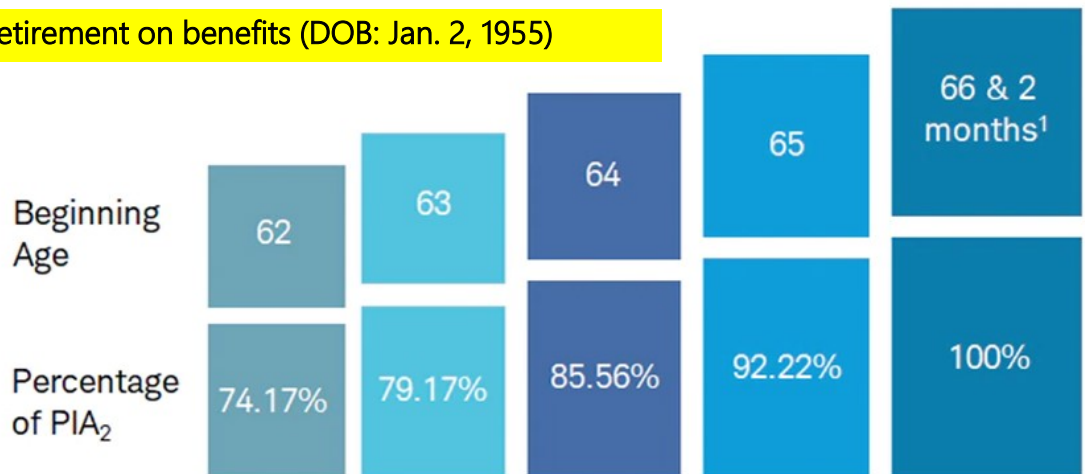
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Effect of early retirement on benefits (DOB: Jan. 2, 1955)



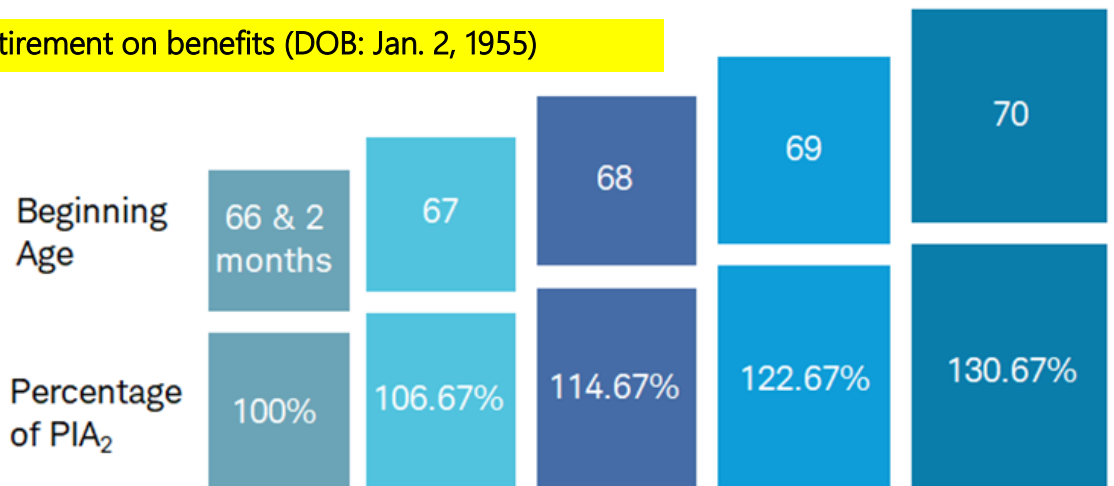
What if I delay taking my benefits?

If you retire sometime between your full retirement age and age 70, you typically earn a "delayed retirement" credit (DRC). For example, say you were born in 1955 and your full retirement age is 66 and 2 months. If you started your benefits at age 68, you would receive a credit of 8% per year multiplied by approximately two (the number of years you waited). This makes your benefit ~15% higher than the amount you would have received at age 66. (This doesn't include any potential additional cost of living adjustments for inflation from 66-68.)

That higher baseline lasts for the rest of your retirement and serves as the basis for future increases linked to inflation. While it's important to consider your personal circumstances—it's not always possible to wait, particularly if you are in poor health or can't afford to delay—the benefits of waiting can be significant.

If you decide to wait past age 65, you may still need to sign up for Medicare. In some circumstances your Medicare coverage may be delayed and cost more if you do not sign up at age 65.

Effect of late retirement on benefits (DOB: Jan. 2, 1955)



To review your situation, your annual Social Security statement will list your projected benefits at age 62, full retirement age, and age 70, assuming you continue to work and earn about the same amount until age 62, full retirement age, or age 70 before retiring. If you need a copy of your annual statement, you can request one from the [Social Security Administration \(SSA\)](#).



How should I decide when to take benefits?



Consider the following factors as you decide when to take Social Security. Your cash needs: If you are contemplating early retirement and you have sufficient resources (an investment portfolio, a traditional pension, and other sources of income), you can be flexible about when to take Social Security benefits.

If you will need your Social Security benefits to make ends meet, you may have fewer options. If possible, you may want to consider postponing retirement or work part-time until you reach your full retirement age—or even longer so that you can maximize your benefits.

Your life expectancy and break-even age: Taking Social Security early reduces your benefits, but you will also receive monthly checks for a longer period of time. On the other hand, taking Social Security later results in fewer checks during your lifetime, but the credit for waiting means each check will be larger.

At what age will you break even and begin to come out ahead if you delay Social Security? The break-even age depends on the amount of your benefits and the assumptions you use to account for taxes and the opportunity cost of waiting (investment returns you could have made, inflation, etc.). The SSA has several handy calculators you can use to estimate your own benefits.



If you think you'll beat the average life expectancy, then waiting for a larger monthly check might be a good deal. On the other hand, if you're in poor health or have reason to believe you won't beat the average life expectancy, you might decide to take what you can while you can.

Still working?

Earning a wage (or even self-employment income) can reduce your benefit temporarily if you take Social Security early. If you are still working and you have not reached your full retirement age, \$1 in benefits will be deducted for every \$2 you earn above the annual limit (\$18,960 in 2021).

In the year you reach your full retirement age, the reduction falls to \$1 in benefits deducted for every \$3 you earn above a higher limit (\$50,520 in 2021). However, starting the month you hit your full retirement age, your benefits are no longer reduced no matter how much you earn.

Again, any reduction in benefits due to the earnings test is only temporary. You receive the money back in the form of a recalculated higher benefit beginning at full retirement age, so do not use the reduction as the sole reason to cut back on working or worrying about earning too much.

A quick note about life expectancy:



According to the [Social Security Administration](#), average life expectancy for a 65-year-old male is around 84 years and 87 for females. Married individuals tend to live even longer, with a greater than average probability of at least one spouse living to age 90. To compute your own life expectancy, use the life expectancy calculator at [SSA.gov](#).

Remember, though, that the average is just that—an average. If you have a shorter life expectancy than average, then early withdrawals might be a better option for you. If you don't, starting Social Security later can be particularly beneficial if you live longer than average.

Your spouse?

If you are married, you can explore additional strategies to maximize the benefits you receive collectively. Start by taking your spouse's age, health, and benefits into account, particularly if you are the higher-earning spouse. The amount of survivor benefits for a lower-earning spouse could depend on the deceased, higher-earning spouse's benefit—the bigger the higher-earning spouse's benefit, the bigger the benefit for the surviving spouse.

Want your refund faster?
 Combining IRS e-File with Direct Deposit is the fastest way to get your tax refund.
www.irs.gov/directdeposit



Year-End Tax Planning

Charitable Contribution Tax Deductions
 For tax year 2021:
 \$300 for singles and \$600 for married couples



To wait or not to wait?

What about taxes on Social Security?

Keep in mind that Social Security benefits may be taxable, depending on your "combined income." Your combined income is equal to your adjusted gross income (AGI), plus non-taxable interest payments (e.g., interest payments on tax-exempt municipal bonds), plus half of your Social Security benefit.

Table with 2 columns: Consider taking benefits earlier if... and Consider waiting to take benefits if... with 3 rows of conditions.

As your combined income increases above a certain threshold (from earning a paycheck, for instance), more of your benefit is subject to income tax, up to a maximum of 85%.

In any case, if you're still working, you may want to postpone Social Security either until you reach your full retirement age or until your earned income is less than the annual limit. In no situation should you postpone benefits past age 70.

What if I change my mind?

If you receive Social Security benefits at a reduced rate, but then change your mind, you have the option of withdrawing your application and paying back to the government what you have already received (including Medicare payments and taxes deducted). Then, you could restart benefits at a later date to take advantage of a higher payout. However, you are limited to one withdrawal per lifetime.

For example, let's say you elected to receive early benefits at age 62, but then decided to go back to work at age 63. You could withdraw your Social Security application within the first 12 months of receiving benefits, pay back the years' worth of benefits you received, go back to work, and then wait until a later age to restart your benefit checks at a higher level.

The bottom line...

If you have a choice and are in good health, think seriously about waiting as long as you can to take your benefits (but no later than age 70). For retirees in good health, a long retirement coupled with uncertainty about markets and inflation are the biggest risks. Delaying Social Security, if you can, is effectively an insurance policy against those challenges.

2022 Staff Directory grid featuring photos and bios for Pamela Chauvin Trahan, Shawn Etie', Paige Abshire, Roxie Gagne, Todd K. Chauvin, Bayou Chauvin, Jaimmie L. Adams, Cynthia Anderson, Morgan L. Trahan, Tanya Lormand, and Teddy Trahan.



Tax Tips



Gather and Organize Tax Records

Organized tax records make preparing a complete

and accurate tax return easier. They help avoid errors that lead to processing delays which slow refunds. Having all of your needed documents on hand before you complete your return helps insure its accuracy and timeliness.

NOTE: You should keep copies of tax returns and all supporting documents for at least three years.

Important tax records needed to file a tax return include:

Any documents from these types of earnings:

- Forms W-2 from employers
- Forms 1099 from banks, issuing agencies, and other payers, including unemployment compensation, dividends, distributions from a pension, annuity, or retirement plans
- Form 1099-K, 1099-MISC, or other income statements for workers
- Form 1099-INT, Int Dividends, 1099B for investment income

Disclaimer: Failure to report Crypto could result in criminal charges or severe civil (non-criminal) penalties.



Be on the lookout for important IRS Letters...

Be on the lookout for the following letters so that you can reconcile your Advance Child Tax Credit Payment, Economic Impact Payment, and Insurance through the Healthcare Marketplace.

Taxpayers will need these documents to file a 2021 Tax Return

- **Letter 6419, 2021 Total Advance Child Tax Credit Payments**, to reconcile advance child tax credit payments
- **Letter 6475, Your 2021 Economic Impact Payment**, to determine eligibility to claim the recovery rebate credit
- **Form 1095-A, Health Insurance Marketplace Statement**, to reconcile advance premium tax credits for Healthcare Marketplace coverage.

IMPORTANT



STRONG RECOMMENDATION:

Get IRS Account Information Online



Where's My Refund?

Individuals who have not set up an IRS Online Account should do so ASAP. For those of you who have already set up an account, you should make sure you can still log in successfully. You can use the account to quickly and securely access the latest available information on record with the I.R.S. about your federal tax account.

www.irs.gov

REGISTER NOW!

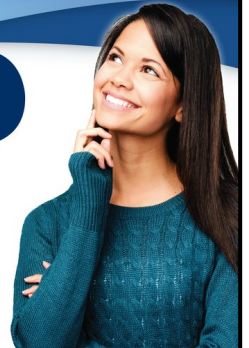


Are you getting a tax refund?

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By selecting a Refund Transfer, you pay no out-of-pocket expense to have your return prepared. Tax preparation fees are deducted directly from your tax refund. You can also pick up your check from our office without worrying about it being lost or stolen in the mail. Whether you receive a check in our office or direct deposit to your bank account, you receive your money upon IRS funding.

Our goal is to provide you with affordable products that meet your needs while helping you receive your money quickly and conveniently.

Please note that you can file your return electronically or by paper and obtain your refund directly from the IRS for free. If you file your tax return electronically, you can receive a refund check directly from the IRS in as little as 21 to 28 days from the time you file your tax return or the IRS can deposit your refund directly into your bank account in as little as 8 to 15 days from the time you file your tax return. If you file a paper return, your refund will take 5 to 7 weeks to receive it.



New Year Brings New Laws To Louisiana

With the voters' approval of Amendment No. 2 on November 13, 2021, four significant tax changes took effect in Louisiana on January 1, some resulting directly from the constitutional amendment and others through the implementation of legislation contingent on that constitutional ratification.

First, the maximum individual income tax rate permitted by the state constitution decreased from 6 percent to 4.75 percent. Second, the amendment eliminated the mandatory deduction of federal income taxes from state income taxes. Third, as of January 1, 2022, HB 278 reduced individual income tax rates from 2 percent, 4 percent, and 6 percent to 1.85 percent, 3.5 percent, and 4.25 percent respectively. Finally, HB 292 collapsed Louisiana's five CIT rates into three. The new system taxes the first \$50,000 of corporate net income at 3.5 percent. The next \$100,000 will be taxed at 5.5 percent, and any income over \$150,000 will be taxed at 7.5 percent. The top marginal rate is reduced by 0.5 percentage points but kicks in at a threshold of \$50,000 lower than in 2021. Both H.B. 278 and HB 292 were passed during Louisiana's regular

2021 legislative session, but enactment was contingent on voters' assent to Amendment No. 2.

Unrelated to the constitutional amendment, Louisiana enacted SB 36, which affects the carryforward of net operating losses (NOLs). Instead of a 20-year window in which to carry forward all losses from a given year, the state now allows NOLs from tax years beginning January 1, 2001, to be carried forward until exhausted. Such cases are applicable to tax returns filed after January 1, 2022.

Governor John Bel Edwards also signed SB 157 on June 16, 2021. Effective January 1, 2022, the law responds to an increasingly remote workforce by eliminating the requirement for an employer to withhold income taxes from wages of a nonresident employee if the employee worked in the state for 25 days or fewer during the calendar year. If nonresidents work in Louisiana for more than 25 days, withholdings must occur for the entire period the employee operated in the state.



Department of the Treasury
Internal Revenue Service

IRS AUDIT NOTIFICATIONS
INTENT TO LEVY WAGES
CERTIFIED WARNING LETTERS
PAST DUE NOTICES
TAX DEBT DUE IMMEDIATELY

OUCH! A letter from the IRS

If you receive a notice from the IRS, **do not automatically assume it is correct** and submit payment, hoping it goes away! Nor should you just ignore it!



Here are some tips if you get a letter from the IRS:

- ◇ **Stay calm.** Remember, the IRS sends out millions of notices each year. The vast majority of them correct simple oversights or common filing errors.
- ◇ **Open the envelope.** Try to remember that the first step in making the problem go away is to open the correspondence.
- ◇ **Review the letter.** Understand exactly what the IRS is telling you needs to be changed and determine whether or not you agree with their findings.
- ◇ **Respond timely.** The IRS will tell you what it believes you should do and within what time-frame. Ignore this information at your own risk.
- ◇ **Get help.** Contact our office for assistance @ 337-893-6798.
- ◇ **Correct the IRS error.** Once the problem is understood, a clearly written response with copies of documentation will cure most of these IRS correspondence errors.
- ◇ **Certified mail is your friend.** Any responses to the IRS should be sent via certified mail or other means that clearly show you replied to their inquiry in a timely fashion.
- ◇ **Don't assume it will go away.** Until a definitive confirmation that the problem has been resolved is received, assume the IRS still thinks you owe the money. If no correspondence confirming the correction is acknowledged by the IRS, a written follow-up may be required.



Client Checklist – Individual

Please mark if applicable & attached

- Prior Year Tax Returns: Past 2-3 Years
- Prior CPA Authorization Letter
- Basis Info
- Prior Year Detailed Depreciation Worksheet

Income Documents/Forms

- | | |
|-----------------------------------|---------------------------------------|
| <input type="checkbox"/> W-2's | <input type="checkbox"/> 1099-R |
| <input type="checkbox"/> 1099-G | <input type="checkbox"/> SSA-1099 |
| <input type="checkbox"/> 1099-INT | <input type="checkbox"/> Unemployment |
| <input type="checkbox"/> 1099-DIV | <input type="checkbox"/> Other: _____ |

Deductions & Credits

- | | |
|--|---|
| <input type="checkbox"/> Educator Expenses | <input type="checkbox"/> Charity/Donations |
| <input type="checkbox"/> Student Loan Interest | <input type="checkbox"/> Mileage for Medical or Charity |
| <input type="checkbox"/> Tuition | <input type="checkbox"/> Child Care Expenses |
| <input type="checkbox"/> Medical Expenses: Divided by Individual | <input type="checkbox"/> Advanced Child Tax Credit Pmt |
| <input type="checkbox"/> Property Taxes | <input type="checkbox"/> Economic Stimulus Pmt |
| <input type="checkbox"/> Form 1098: Mortgage Interest | |

Other Documents & Forms

- Social Security Cards / Birth Certificates
- Estimated Tax Payments: Federal & State - Canceled Checks
- Extension Payments: Federal & State - Canceled Checks
- Direct Deposit Information: Voided Check

Notes/Comments

Due Date for Info Returned to *FACTS-5*: _____

Phone: (337) 893-6798 ▪ Fax: (337) 898-2787 ▪ paige@facts-5.com



Tax Year 2021 CONSENT FORMS ACKNOWLEDGMENT OF RECEIPT

IMPORTANT: The attached consent forms are required to be completed prior to filing your 2021 tax return with the IRS. Please insure that you submit these forms in advance of your scheduled tax preparation appointment.

The undersigned hereby acknowledges receipt of the following documents, which provides information on how **FACTS-5** may use and process your 2021 tax documents:

Initial
completed

- _____ 1040 - Individual Tax Return Engagement Letter with **FACTS-5**
- _____ Consent For Use of Form 1040 Information
- _____ Consent For Use of Tax Return Information – Santa Barbara Bank & Trust (only applicable if applying for bank products)
- _____ Stimulus Reporting Disclosure
- _____ **FACTS-5** Privacy Notice
- _____ Client Information Worksheet

Signature of Client: _____ **Date:** _____

Return signed originals of these forms to FACTS-5

118 LeBlanc Street, Abbeville, Louisiana 70510
Or mail to: P.O. Box 698, Abbeville, LA 70511-0698
Or scan and email this document to: paige@facts-5.com





FACTS-5

1040 - Individual Tax Return Engagement Letter

Dear Valued Client

Thank you for selecting **FACTS-5** to assist you with your tax affairs. This letter confirms the terms of our engagement with you and the nature and extent of services we will provide.

We will prepare your 2021 Federal and all State Income Tax Returns you request using information you provide to us. We may ask for clarification of some items, but we will not audit or otherwise verify the data you submit. Upon your request, we will provide an "Organizer" which may help you gather the information required for a complete return. If you use the Organizer, it will help you avoid overlooking important information and contribute to efficient preparation of your returns. This helps keep the cost of our services as low as possible.

It is your responsibility to provide information required for preparation of complete and accurate returns. You should keep all documents, canceled checks and other data that support your reported income and deductions for a period of 5 years. They may be necessary to prove accuracy and completeness of the returns to a taxing authority. You are responsible for the accuracy of your returns, therefore you should review them carefully before signing.

Our work will not include any procedures to discover defalcations or other irregularities. The only accounting or analysis work we will do is that which is necessary for preparation of your income tax returns.

We must use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In order to avoid penalties, we will apply the "more likely than not" reliance standard to resolve such issues. You agree to honor our decisions regarding the need to make protective disclosures in your returns.

Penalties of as much as \$100,000 can be imposed on you for failing to disclose participation in "reportable transactions," that is, certain arrangements the IRS has identified as potentially abusive. We will insist that all such transactions be properly disclosed to us for further disclosure to the IRS.

The law also imposes penalties when taxpayers understate their tax liability. If you have concerns about such penalties, please call us.

Your returns may be selected for audit by a taxing authority. Any proposed adjustments are subject to appeal. In the event of a tax examination, we can arrange to be available to represent you. Such representation will be a separate engagement for which an engagement letter will be provided to you. Fees and expenses for defending the returns will be invoiced in accordance with terms we agree on for that engagement.

Our fee for preparation of your tax returns will be based on the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable prior to electronic filing of your return or presentation to you for mailing. To the extent permitted by state law, a \$40 fee will be charged for any NSF check return to us by your bank.

We will retain electronic copies of records you supply to us along with our work papers for your engagement for a period of five years. After five years our electronic records will be destroyed. All of your original records will be returned to you with a copy of your return(s). You should keep the original records in secure storage.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign the enclosed copy of this letter in the space indicated and return it to us in the envelope provided.

We appreciate your confidence in us. Please call if you have questions.

Sincerely,

FACTS-5 

PAMELA C. TRAHAN, PRESIDENT
AZCO, INC. (d/b/a **FACTS-5**)



(Both husband and wife must sign for preparation of joint returns)

Taxpayer Signature:	Spouse Signature:	Date Signed:
Taxpayer Printed Name:	Spouse Printed Name:	
Taxpayer SSN:	Spouse SSN:	



FACTS-5

Consent For Use Of Form 1040 Information

Federal law requires that this consent form be provided to you. Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

(Check one)

Duration of Consent:

One Year from this date

Other _____

I, _____, authorize **FACTS-5** to use any and all information having to do with my 2021 Tax Return for the purpose of:

- Investment advice to be given.
- Estate planning advice to be rendered.
- Electronic Filing of my 2021 Tax Return to a 3rd Party, Intuit, Inc. d/b/a ProSeries.
- Retirement planning advice.
- Social Security planning.
- Calling me to make an appointment or remind me of an appointment.
- Sending newsletters, birthday cards, etc.
- Text message me with tax alerts or information regarding my tax return.
- Acquisition and disposal information of stock, bonds and other assets with my financial advisor.
- General current and future tax advice.

(Cross through any not authorized)

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov.

Taxpayer Signature: _____

Date: ____/____/____

For a jointly filed tax return, BOTH taxpayers' signatures are required.

Spouse Signature: _____

Date: ____/____/____

Please make a copy of this signed form and return the original to this office at:

118 LeBlanc Street, Abbeville, Louisiana 70510
Or mail to: P.O. Box 698, Abbeville, LA 70511-0698
Or scan and email this document to: paige@facts-5.com



FACTS-5
Consent For Use Of Tax Return Information
Santa Barbara Bank & Trust Company - Refund Transfer

FACTS-5 (hereinafter referred to as “we”, “us” and “our”)

Federal law requires this consent form be provided to you (“you” refers to each taxpayer, if more than one). Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year. If you do not consent, then you may still have your tax return prepared and electronically filed by us for a fee.

For your convenience, we have entered into an arrangement with Santa Barbara Bank & Trust Company (“BANK”) to provide qualifying taxpayers with the opportunity to apply for a Refund Transfer (“bank product”) offered by BANK. To determine whether a bank product may be available to you, we will need to use your tax return information by analyzing it and calculating the amount of your anticipated refund.

If you would like us to use your tax return information to determine whether a bank product may be available to you while we are preparing your return, please sign and date this consent to the use of your tax return information. Should you decide to use a BANK product, then our tax preparation fees will be paid by the BANK and you will not need to make a payment at the time of your tax preparation.

By signing below, you (including each of you if there is more than one taxpayer) authorize us to use the information you provide to us during the preparation of your 2021 tax return to determine whether to present you with the opportunity to apply for a bank product from BANK.

(Signature(s) required on this form, ONLY if applying for bank products)

Printed Name of Taxpayer: _____

Taxpayer Signature: _____ Date: _____

Printed Name of Joint Taxpayer: _____

Joint Taxpayer Signature: _____ Date: _____

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov [AI].



Stimulus Reporting

118 LeBlanc Street
P.O. Box 698
Abbeville, LA 70511-0698
Voice: 337-893-6798
FAX: 337-898-2787
pam@facts-5.com

Client Statement

In 2021 most taxpayers received a Federal "Stimulus Check" or "Economic Impact Payment (EIP)" from the federal government, for the 2021 tax year. As your tax preparer we are required to reconcile your payment to determine if you are owed an additional refund.

You should have received Form 1444 showing the amount of the stimulus check. Since this form at times gets lost or misplaced, we ask that you please provide the status of the stimulus payment below. Your return can not be completed without this information.

2021 Stimulus Distribution(s)

In 2021, I/we received a 3rd Economic Impact Payment (EIP) stimulus check(s) in the amount of:

Taxpayer Amount

Spouse Amount

Amount: \$ _____

\$ _____

I/we did not receive any stimulus check (NOTE: If you are eligible, we will help you get your stimulus check)

2021 Child Tax Credit Distribution(s)

I/we received IRS Letter 6419 (attached)

I DO NOT have IRS Letter 6419 but I/we received the following Child Tax Credit distribution(s) in 2021:

Amount \$ _____ Date: _____ Amount \$ _____ Date: _____

Amount \$ _____ Date: _____ Amount \$ _____ Date: _____

Amount \$ _____ Date: _____ Amount \$ _____ Date: _____

Taxpayer or Spouse Signature

Today's Date:

Print Name



118 LeBlanc Street
P.O. Box 698
Abbeville, LA 70511-0698
Voice: 337-893-6798
FAX: 337-898-2787
pam@facts-5.com

Privacy Notice

Compliance with the Gramm-Leach-Bliley Act Public Law 106-102 (FTC 16 CFR Part 313)

To meet the requirements of the Gramm-Leach-Bliley Act of 1999, please be aware of the privacy policy of this firm.

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications, tax preparation organizers, worksheets, and other documents we use in tax preparation or providing financial services, or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information we receive from a consumer reporting agency.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law or approved by you in writing (e.g. requirements to comply with federal, state or local law; requirements to comply with national, state or local licensing rules; requirements to disclose information in response to legal subpoenas; items you permit or request us to disclose, as authorized by you in writing; your electronically filed tax return(s), when applicable; information that you authorize us to disclose that discloses that you are our client, without disclosure of financial or other personal information).

We restrict access to nonpublic personal information about you to members of our firm who need to know that information to provide services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. We retain records relating to the professional services that we provide you in accordance with accounting and government standards.

Your confidence and trust are important to us. If you have any questions or concerns regarding the privacy of your nonpublic personal information, please contact our firm at 337-893-6798.

Taxpayer Signature: _____

Date: ____/____/____

For a jointly filed tax return, BOTH taxpayers' signatures are required.

Spouse Signature: _____

Date: ____/____/____





Tax Year 2021 - Client Info Worksheet

Today's Date: _____

Tax Preparer: _____

FOR OFFICE USE ONLY

- Client folder pulled Verified prior year fees PAID
 Prepare as drop off Check if client has an appointment

Appointment DATE & TIME: _____

My Name: _____ SSN DOB Occupation

Spouse Name: _____ SSN DOB Occupation

My Physical Address: _____
(No post office box here)

City: _____ State: _____ Zip: _____

(If different)
 My Mailing Address: _____

City: _____ State: _____ Zip: _____

Home Phone: _____ Work Phone: _____

Your Cell Phone: _____ Spouse Cell: _____

Your Email Address: _____

Spouse Email Address: _____

Check ALL that apply as of 12/31/2021:

- I am SINGLE
 Never Married
 Legally Divorced
- I am LEGALLY Married as of 12/31/2021
 If separated: Date Separated _____
 I have NOT lived with my spouse for the last 6 months of 2021 (July 1, 2021 thru 12/31/2021)

- I have a common law (If so, which state _____)
 I am a United States citizen
 I have cared for a dependent for over half the year and paid more than half the cost of maintaining a home for that dependent.

Tax Year 2021 Dependent Information

	First Name	Middle Initial	Last Name	Suffix Jr, Sr, III	Social Security #	Date of Birth	# Months Lived WITH YOU	Relationship
1								
2								
3								
4								
5								
6								

Please indicate preference for your tax appointment:

- Virtual Internet Live Appointment (Zoom)
 Telephone Appointment
 Drop Off - No Appointment Needed
 Office Visit with Appointment

 Taxpayer's Signature

I certify that all information on this sheet was completed by me and is correct.



118 LeBlanc St.
Abbeville, LA 70510-0698

MAILING LABEL

FACTS-5

Helping you keep more of what you earn for more than 56 years!

2022



Tax Tip\$ Annual Newsletter

118 LeBlanc St.
P.O. Box 698
Abbeville, LA 70511-0698

Phone: 337-893-6798
Fax: 337-898-2787
E-mail: pam@facts-5.com

Tax Season Office Hours: January 24 - April 18, 2022

Mon-Thursday 9AM-5:30PM
Friday 9AM-5PM
Closed Saturday & Sunday
Client Portal 24/7

<http://www.facts-5.com>

- In office visits resume!
Calendar filling up FAST!
Zoom still popular!
- Call to make appointment
TODAY (337)-893-6798

