

**Deadlines & Misc.**

Fourth Quarter 2022 Estimated Tax Payments are due by Tuesday, January 17, 2023. See Page 4.

**INCOME TAX RETURNS**

Partnership and S-Corporation tax returns are due Wednesday, March 15, 2023. Individual and C-Corporation tax returns are due Tuesday, April 18, 2023.

**PAYROLL REPORTING**

Forms 1099-NEC, W-2, and W-3 are due Tuesday, January 31, 2023. Forms 1099-MISC are due Tuesday, February 28, 2023 (paper-filed) or Friday, March 31, 2023 (e-filed).

**STUDY CLUBS**

If you would be interested in having us speak at one of your upcoming Study Club events, we would be happy to do so. We can cover a variety of topics including long-term financial planning, transition planning and most popular the new Tax Act – and how it is impacting dentists.

Contact our office for more details. 425.216.1612 or [mail@cpa4dds.com](mailto:mail@cpa4dds.com)

**CONTACT US**

3015 112<sup>th</sup> Ave NE, Suite 210  
 Bellevue, WA 98004  
 425.216.1612 | 425.216.1613 fax  
[mail@cpa4dds.com](mailto:mail@cpa4dds.com)



## Helping Dentists Make Smart Decisions about Money

**GETTING READY FOR TAX FILING SEASON**

**“EXTENDED” FILING DEADLINE:** With the weekend and federal holiday, the filing deadline for individual income tax returns this year is pushed back to April 18<sup>th</sup>. As always, the earlier you get your documents to us the better, so please send us your W-2s, 1099s, K-1s, etc. no later than February 15<sup>th</sup>. Most should be delivered to you in late January or early February.

**TAXCADDY:** We will continue to use TaxCaddy as our document delivery system. For clients that are new to the Dental Accounting Group, you will receive a separate email with instructions on how to setup your account. It is a secure portal that allows us to request specific documents, and you can even upload them by taking pictures with your phone. Once your return is complete, it is also the place where you will receive your digital copy of the return. If you have not received your invitation by early February, please let us know.

**ID THEFT PIN:** If you have been the victim of identity theft in recent years, the IRS will likely mail you a PIN number which must be included with your filed tax return. Do not forget to include that letter with your tax documents.

**2023 LIMITS AND UPDATES**

With recent inflation, several IRS amounts received significant increases for 2023.

Amount	2022	2023
401(k) deferral max	20,500	22,500
401(k) catch-up if 50+	6,500	7,500
SIMPLE deferral max	14,000	15,500
SIMPLE catch-up if 50+	3,000	3,500
FICA wage base	147,000	160,200
Business mileage rate	62.5 cents/mile	65.5 cents/mile
Standard deduction (single)	12,950	13,850
Standard deduction (married joint)	25,900	27,700

While the individual tax rates remain the same ranging from 10% to 37%, the brackets within which each rate begins have been adjusted upward as well.

## FORM 1099-K REPORTING

Form 1099-K has been around for several years and is used by payment processing companies (credit cards, PayPal, Venmo, etc.) to report certain transactions. In prior years, they were only required if a recipient received more than \$20,000 and 200 transactions in a year. That was set to change to \$600 and no transaction minimum for tax year 2022. This would result in millions more 1099-Ks being issued to individuals who had never received one before.

After many complaints, the IRS acquiesced at the last minute to delaying the change for another year, so the lower threshold will go into effect this tax year, with the first such 1099-Ks issued in January 2024.

It is important to note that the actual taxation of such transactions has not changed. If you receive payment for services through Venmo or sell something on eBay, you are required to report the income (if the sale results in a gain; a loss is likely a non-deductible personal loss and is not reported). The only change surrounds who is issued a 1099-K.

The backlash related to scenarios such as splitting the bill at a restaurant and reimbursing a friend through PayPal. That remains a non-taxable event. But the payment processing company likely does not know what the payment was for and will issue a 1099-K if your annual total exceeds \$600. While still a little unclear, the likely result in that scenario is to show the “income” on your individual income tax return, then back it out as non-taxable. Failing to report the income at all could result in a notice from the IRS that you underreported income.

## NEW WASHINGTON CAPITAL GAINS TAX

As a reminder, Washington State enacted a 7% tax on capital gains for Washington residents with gains above \$250,000 (with exceptions for assets such as real estate, property used in a trade or business, etc.). It went into effect January 1, 2022, which, as things stand, means taxes on 2022 gains will be due by April 18, 2023. According to the WA DOR, if the Court eventually finds the statute to be unconstitutional, any tax payments received will be promptly refunded with interest.

We have explored this topic multiple times, but we still do not have a final decision on if it will stand. A recent court case reversed a prior decision that barred the State from collecting the tax. While it technically allows the State to collect the tax, it essentially just ensures that the State Supreme Court will have to ultimately decide on the tax’s legality.

# FOURTH QUARTER 2022 ESTIMATED PAYMENTS

\*\*\*THIS IS ONLY FOR THOSE THAT PAY BY QUARTERLY INSTALLMENTS\*\*\*

**We highly encourage that estimated payments be made online at EFTPS.gov – this very convenient site allows you to enter multiple payments and dates in advance. Call us if you need help!**

**However, if you still prefer to mail in a paper check:**

If we have prepared your 2022 return, you will find pre-printed estimated tax payment vouchers in your TaxCaddy account or in your folder if we mailed your tax return to you. Otherwise, detach or photocopy the voucher below.

1. Complete the name, address and social security number sections.
2. Fill in amount (call us at 425.216.1612 if you have questions regarding the amount).
3. Address your envelope to:

**Internal Revenue Service  
PO Box 802502  
Cincinnati, OH 45280-2502**

**\*\*\* NOTE THE NEW ADDRESS – DO NOT SEND TO SAN FRANCISCO ANYMORE \*\*\***

4. Make your check payable to the **United States Treasury**.
5. Note your social security number and “2022 1040-ES” on the memo line of your check.
6. Enclose the voucher and check in your envelope addressed to the Internal Revenue Service (see above).
7. Mail on or before Tuesday, January 17, 2023.

Tear off here

Form <b>1040-ES</b> Department of the Treasury Internal Revenue Service	<h2 style="margin: 0;">2022 Estimated Tax</h2>	<b>Payment Voucher 4</b> OMB No. 1545-0074		
File only if you are making a payment of estimated tax by check or money order. Mail this voucher with your check or money order payable to “ <b>United States Treasury</b> .” Write your social security number and “2022 Form 1040-ES” on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.		<b>Calendar year – Due Jan. 17, 2023</b> Amount of estimated tax you are paying by check or money order.		
Pay online at <a href="http://www.irs.gov/etpay">www.irs.gov/etpay</a>  <b>Simple. Fast. Secure.</b>	<b>Print or type</b>	Your first name and middle initial	Your last name	Your social security number
	If joint payment, complete for spouse	Spouse’s first name and middle initial	Spouse’s last name	Spouse’s social security number
	Address (number, street, and apt. no.)			
	City, town, or post office. If you have a foreign address, also complete spaces below.	State	ZIP code	
	Foreign country name	Foreign province/county	Foreign postal code	

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

**Form 1040-ES (2022)**

