

TAX PLANNING OPPORTUNITIES 2024

Where's my Refund?

Now you can check at:

NYS: <https://www.tax.ny.gov/pit/file/refund.htm>

IRS: <https://www.irs.gov/refunds> or 1-800-829-1954

Refunds can take up to a few months to process so please be patient

SocialSecurity.Gov offers a way to track one's own potential and current benefits. "Sign In or Create an Account" at socialsecurity.gov/myaccount. It takes a few minutes to verify identity and/or check your earnings credits. Phone Number: 1-800-272-1213

Clients interested in providing for their children's or grandchildren's college education should consider investing in **Section 529 College Savings Programs**. These programs are tax-advantaged i.e., withdrawals are free of federal and most state income taxes. **For NYS residents** the New York State program offered directly through New York's 529 College Savings Program offers another advantage since contributions may lead to a state tax deduction (up to \$10,000.00 if married filing jointly). Information about New York State's program can be obtained by calling; 1-877-NYSAVES (1-877-697-2837) or by visiting the program's web site at www.nysaves.org.

You can use your 529 plan to cover up to \$10,000 per year of qualifying expenses for any school and any grade from kindergarten through 12th as well. That includes public, private, and religious institutions. Any unused 529 funds can be transferred to qualifying family members.

The IRS in 2024 is now allowing any unused funds in a 529 account to be rolled over into the beneficiary's Roth IRA. This can provide a valuable head start on their retirement planning. Limitations imposed include a 35k cap on lifetime transfers, rollovers are subject to Roth IRA contribution limit (7,000 in 2024) and the 529 account must have been open for at least 15 years. Also, you can't rollover any contributions made in the last five years.

New starting in 2024, the Corporate Transparency Act will require all “small businesses” that were formed under a State statute and doing business in the US, will be required to report their beneficial owners initially and then when a change occurs. This notification is an alert only. Please consult Counsel.

Now is the time to **Recalculate your W4** with your employer. [A new IRS tax calculator](#) is available.

Maximize “above the line” deductions. Above-the-line deductions are especially valuable because so many taxpayers will no longer itemize deductions. They also reduce the taxpayer's adjusted gross income, and AGI affects whether they're eligible for many tax benefits & Medicare premium surcharges. Common above-the-line deductions include traditional individual retirement account, health savings account contributions, self-employment taxes, & self-employed persons' health insurance costs.

A **Health Savings Account (HSA)** might enable you to offset costly medical expenses at tax time. If you qualify, an HSA provides you with a triple tax break: Your contributions are tax-free, they grow tax-deferred, and you can use them at any time to pay for medical expenses tax-free. **In 2024, you can put away \$4,150 for single coverage and \$8,300 for family coverage.** Increases of \$1,000 if above age 55 are allowed. Ask your employer if they match HSA contributions.

The **2024 contributions to a Roth or IRA** account have changed. The IRA/Roth contribution will be \$7,000. For those over age 50, an additional 1,000 can be contributed. There are income ceilings and contribution limitations if one spouse is covered by a retirement plan.

New legislation allows required minimum distributions (RMDs) to be delayed to age 73 in 2023 and then to age 75 in 2033.

Because of the differences in how they are taxed, **traditional IRAs are proven more effective if you expect to be in a lower tax bracket when you retire;** contrarily, **Roth IRAs are more effective if you are currently in a lower tax bracket or young in age.**

Traditional IRAs are taxed as you **take the money out;** Roth IRAs are taxed **as you put the money in as you use post-tax dollars.**

For qualified employment plans, i.e., 401(k) company sponsored plans, there is **an increase in the dollar limit you can contribute to a qualified retirement plan; the maximum contribution limit for 2024 is \$23,000.** There is a catch-up limit for those over age 50 in which they can contribute an **additional \$7,500** to their plan in 2024.

The **2024 exclusion** for **Gifts to individuals** is increased to **\$18,000**. Additionally, there is an unlimited exclusion for payments of tuition directly to an educational organization and those paid directly to health care providers. **The federal gift tax is "unified" with the federal estate tax. The tax exclusion for 2024 is \$13.61 million for individuals and \$27.22 million for a married couple. The top estate/gift tax rate above this amount remains at 40%. We note that current NYS residents** should realize that the exemption on estates subject to NYS estate tax is \$6,940,000 as of January 1, 2024. An increase from \$6,580,000 in 2023.

The **standard mileage rate for 2024** will be **67 cents/mile** for all business miles driven. **For 2023, the rate was 65.5 cents/mile.** In 2024, the **medical rate** will be **21 cents/mile**. Unreimbursed charitable mileage continues at 14 cents/mile in 2024. You can also claim the cost for parking and tolls. Keeping logs or having proof makes it easier to support. **There is still the option of deducting actual costs.**

Continuing scrutiny of Taxpayer(s) with assets abroad – Taxpayers with assets abroad worth more than \$10,000 must file disclosure forms with their tax returns. All disclosures are combined with your filed income tax return.

If a **child under age 18 has investment income over \$2,600 in 2024, up from \$2,500 in 2023.** The "**kiddie tax**" will tax the excess at the parent's tax rate. **This tax is part of the Tax Cuts and Jobs act and may expire in 2025. We will update you on an action taken by the government in the future.** In addition, under existing law the same kiddie tax will apply to full time students under age 24, if not more than 50% self-supporting (excluding scholarships).

Please visit our website, WWW.HACPASNY.COM, in the **NEWS/RESOURCES** section at the bottom of the page, there is an interactive, fill in organizer called "**Family Records Organizer.**" **This is a MUST FOR EVERYONE to attempt to place some order on their possessions and records. Utilize it, print it out, and safeguard it.**

We'll try to stay current with all changes throughout the year. In 2024, there will inevitably be changes much like previous years, so look for updates and notes of interest on our website under the **NEWS/RESOURCES** tab.

Call us at any time, so we may research your concerns and develop a strategy and solution to the issue or problem you have.

Again, wishing all to stay optimistic and engaged in the year ahead.