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**CLAUDIA HILL, EA, MBA**

• Tax Analysts' Top 10 Persons of the Year for 2011  
 • Nationally recognized tax professional and frequent lecturer on taxation of individuals, tax planning, and representation before IRS  
 • Editor-in-chief of the Wolters Kluwer Journal of Tax Practice and Procedure, co-author of CCH's Expert Treatise Tax Practice & Procedure and a frequent presenter at association and industry seminars  
 • Owner and principal of Tax Mam, Inc. and TMI Tax Services Group, Inc., she maintains an active tax planning, preparation and representation practice in Cupertino, CA

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**HIGHLIGHTS & QUICK TAKES**

<b><u>CREDITS BACK TO 2019 LEVELS</u></b>	<b><u>EXPECT:</u></b>
• Child Tax Credit (CTC), • Earned Income Tax Credit (EITC), and • Child and Dependent Care Credit.	• Smaller refunds or balances due for many families with children

Page 1

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**HIGHLIGHTS & QUICK TAKES**

**EXPECT:**

- No above the line charitable deduction
- Clients asking to deduct the extra \$600 or \$300

Page 1

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**HIGHLIGHTS & QUICK TAKES**

**PREMIUM TAX CREDIT EXPANDED**

**EXPECT:**

- Eligibility was expanded for 2021 and 2022
- Clients Pleasantly Surprised

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**1099-K \$600 REPORTING THRESHOLD, AGAIN**

Yes, the law did change

- As part of the American Rescue Plan of 2021 (ARPA), the 1099-K reporting threshold was reduced from \$20,000 to \$600.

And it may change again before being implemented

- This week IRS is indicating enforcement of the \$600 threshold will be delayed
- But, don't be surprised if your client receives one!

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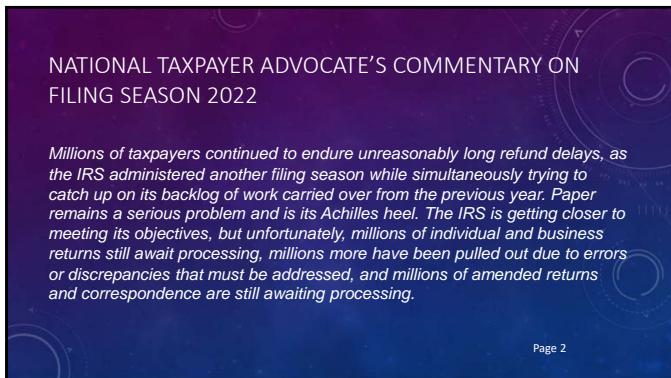
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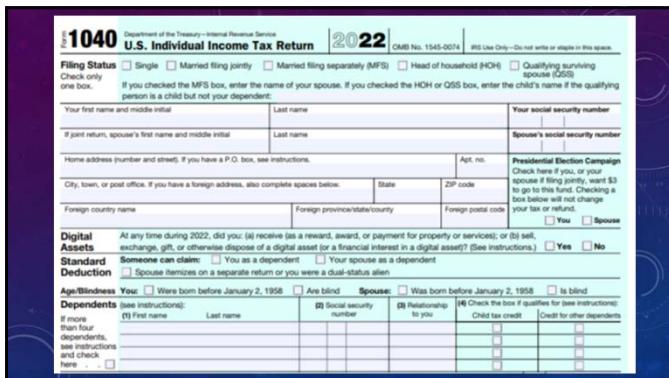
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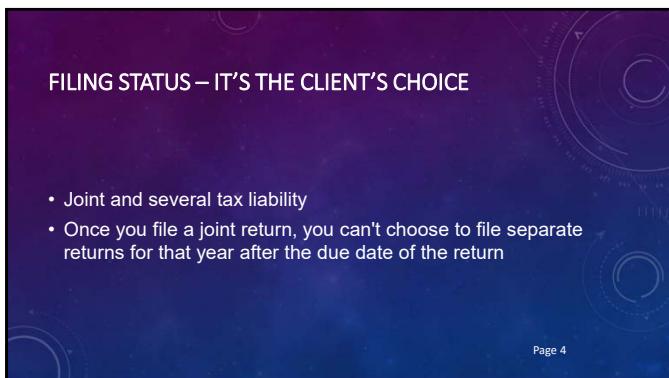
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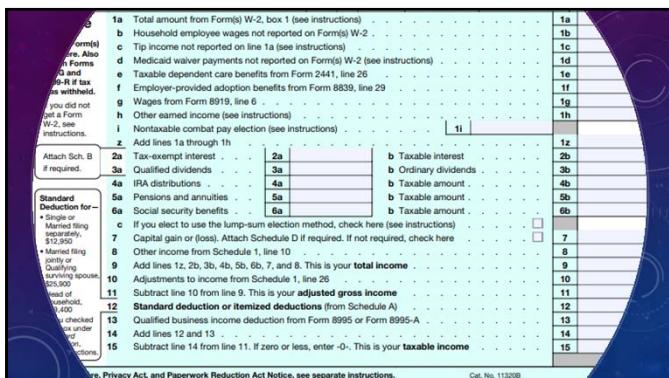
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NEW LINES 1A-I

- Household employee wages
- Tip income not reported on line 1a
- Medicaid waiver payments
- Taxable dependent care benefits
- Employer provided adoption benefits
- Wages from Form 8919
- Other Earned Income

Pages 6-7

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**2022 STANDARD DEDUCTION AMOUNTS**

Filing Status	2022 Standard Deduction
Single; Married Filing Separately	\$12,950
Married Filing Jointly; Qualifying Widow(er)	\$25,900
Head of Household	\$19,400

• “Who must file” rules start with the standard deduction...

Page 8-10

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**SCHEDULE 1** (Form 1040) **Additional Income and Adjustments to Income** **22** 2022 Attachment to Form 1040, 1040-SR, or 1040-NR.

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

For Paperwork Reduction Act Notice, see your tax return instructions.

Page 1 of 10

**Part I Additional Income**

1. Wages, salaries, tips, or other compensation, or offsets of state and local income taxes

2a. Alimony received

3. Date of original contract or separation agreement (see instructions)

4. Other gains or losses. Attach Form 4797.

5. Interest on savings bonds held by a corporation, trust, etc. Attach Schedule C.

6. Farm income or losses. Attach Schedule F.

7. Nonqualified deferred compensation

8. Other income:

a. Gambling

b. Contingency fees

c. Income from a trust or estate

d. Income exclusion from Form 2555

e. Income from Form 8850

f. Income from Form 8854

g. Alaska Permanent Fund dividends

h. Royalties

i. Prizes and awards

j. Income from a hedge or in profit income

k. Stock options

l. Income from the rental of personal property if you engaged in the rental or lending of property in the course of your trade or business

m. Olympic and Paralympic medals and USOC prize money (see instructions)

n. Section 951(a) inclusion (see instructions)

o. Section 469(e) inclusion

o. Section 461(f) excess business loss adjustment

o. Section 461(f) excess business loss adjustment for passive activities

o. Fellowship and fellowship grants not reported on Form W-2

o. Nonreimbursable amount of Medicaid waiver payments included on Form 1040, 1040-SR, or 1040-NR

o. Pension or annuity from a nonqualified deferred compensation plan or a nonqualified profit sharing plan

o. Wages earned while incarcerated

o. Other income

8. Total other income. Add lines 8a through 8r. **Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8.**

For Paperwork Reduction Act Notice, see your tax return instructions.

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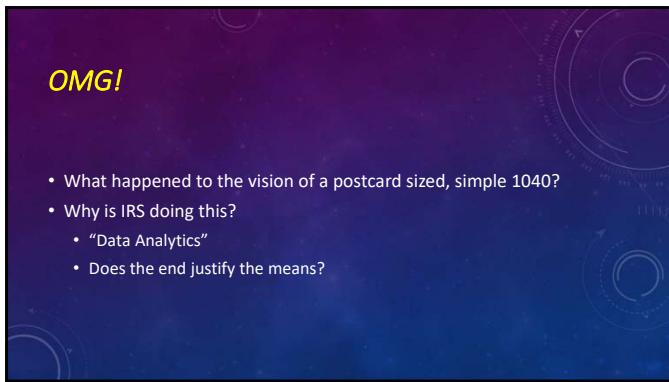
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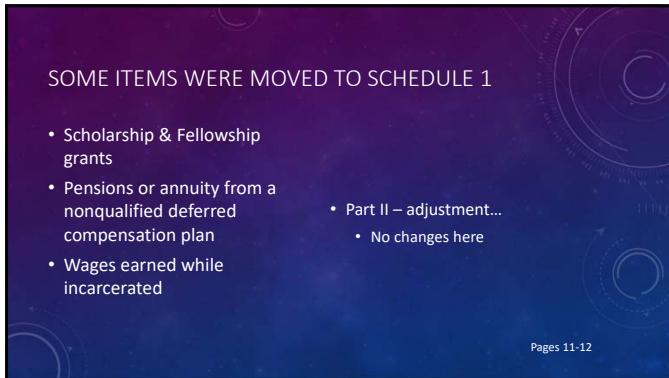
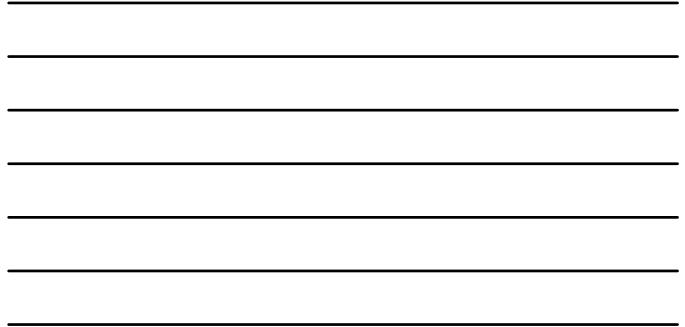


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- What happened to the vision of a postcard sized, simple 1040?
- Why is IRS doing this?
  - “Data Analytics”
  - Does the end justify the means?

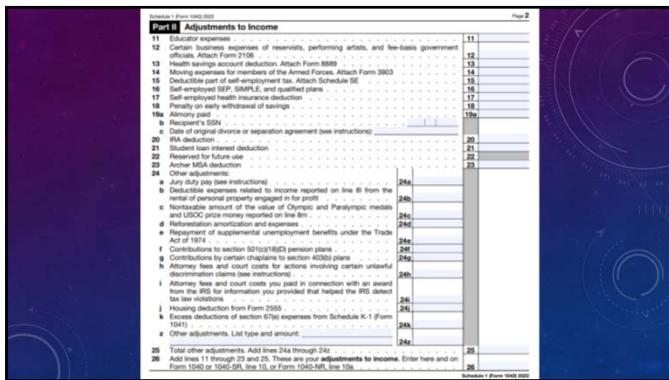
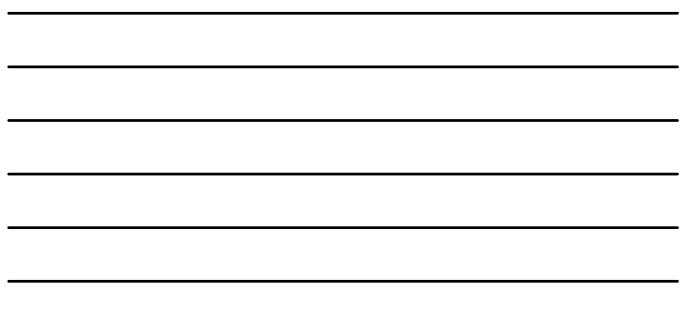


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- Scholarship & Fellowship grants
- Pensions or annuity from a nonqualified deferred compensation plan
- Wages earned while incarcerated

• Part II – adjustment...

- No changes here



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Form 1040 (2022)		Page <b>2</b>
<b>Tax and Credits</b>		
16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16
17	Amount from Schedule 2, line 3	17
18	Add lines 16 and 17	18
19	Child tax credit or credit for other dependents from Schedule 8812	19
20	Amount from Schedule 3, line 8	20
21	Add lines 19 and 20	21
22	Subtract line 21 from line 18. If zero or less, enter -0-	22
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23
24	Add lines 22 and 23. This is your <b>total tax</b>	24

22

<b>SCHEDULE B12</b> (Form 1040)	<b>Credits for Qualifying Children and Other Dependents</b> <small>Attachment for Form 1040, 1040-SP, or 1040-NR.</small> <small>Go to <a href="http://www.irs.gov/ScheduleB12">www.irs.gov/ScheduleB12</a> for instructions and the latest information.</small>	<small>1040-NS, 1040-SP, 1040-NR</small> <b>2022</b> <small>2022</small> <small>Year social security number</small>
<b>Part I Child Tax Credit and Credit for Other Dependents</b>		
1. Enter the amount from line 1 of your Form 1040, 1040-SP, or 1040-NR.		
2a. Enter the amount from line 45 of your Form 2553		
2b. Enter the amount from line 13 of your Form 4503		
3. Add lines 1 and 2d		
4. Add lines 1 and 2d		
5. Add lines 1 and 2d		
6. Add lines 1 and 2d		
7. Add lines 1 and 2d		
8. Add lines 1 and 2d		
9. Add lines 1 and 2d		
10. Add lines 1 and 2d		
11. Add lines 1 and 2d		
12. Add lines 1 and 2d		
13. Add lines 1 and 2d		
14. Enter the amount of line 12 (1). This is your child tax credit and credit for other dependents.		
Enter this amount on Form 1040, 1040-SP, or 1040-NR.		
If you are entitled to a refund for Form 1040, 1040-SP, or 1040-NR, line 14, you may be able to take the additional child tax credit on Form 1040, 1040-SP, or 1040-NR, line 28. Complete your Form 1040, 1040-SP, or 1040-NR through line 27 (above) complete Schedule B, line 11 (before) completing Part II, A.		
<small>For Paperwork Reduction Act Notice, see your tax return instructions.</small>		
<small>Code: 10/10/2019</small>		
<small>Schedule B (Form 1040) 2022</small>		

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SCHEDULE 2 Form 2000		Additional Taxes	
Department of the Treasury Internal Revenue Service		Attachment to Form 1040, 1040-SR, or 1040-NR. Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information.	
Name(s) shown on Form 1040, 1040-SR, or 1040-NR		Your social security number	
<b>Part I Tax</b>			
1 Alternative minimum tax. Attach Form 6251. 2 Excess advance premium tax credit repayment. Attach Form 8962. 3 Add lines 1 and 2. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 17.		1	2
		3	4
<b>Part II Other Taxes</b>			
4 Self-employment tax. Attach Schedule SE. 5 Social security and Medicare tax on unreported tip income. Attach Form 4137. 6 Uncollected social security and Medicare tax on wages. Attach Form 8919. 7 Total additional social security and Medicare tax. Add lines 5 and 6. 8 Additional tax on IRAs or other tax-favored accounts. Attach Form 5320 if required. If not required, check here <input type="checkbox"/> 9 Household employment taxes. Attach Schedule H. 10 Repayment of first-time homebuyer credit. Attach Form 5405 if required. 11 Additional Medicare Tax. Attach Form 8959. 12 Net investment income tax. Attach Form 8960. 13 Uncollected social security and Medicare or NRTA tax on tips or group-term life insurance from Form W-2, box 12. 14 Interest on tax due on installment income from the sale of certain residential lots and timeshares. 15 Interest on the deferred tax on gain from certain installment sales with a sales price over \$150,000. 16 Recapture of low-income housing credit. Attach Form 8611.		5	6
		7	8
		9	10
		11	12
		13	14
		15	16
(continued on page 2)			

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**SCHEDULE 3**  
(Form 1040)  
Additional Credits and Payments  
Return of the Treasury  
Internal Revenue Service  
Go to [www.irs.gov/Form3604](http://www.irs.gov/Form3604) for instructions and the latest information.  
Name(s) shown on Form 1040, 1040-SR, or 1040-NR  
Your social security number

**22**  
Dashed line, L, G

**Part I Nonrefundable Credits**

1 Foreign tax credit. Attach Form 1116 if required. **1**  
2 Credit for child and dependent care expenses from Form 2441, line 11. Attach **2**  
Form 2441. **3**  
3 Education credits from Form 8863, line 19. **3**  
4 Retirement savings contributions credit. Attach Form 8860. **4**  
5 Residential energy credits. Attach Form 5695. **5**  
6 Other nonrefundable credits:  
a Credit for research. Attach Form 3600. **6a**  
b Credit for prior year minimum tax. Attach Form 8601. **6b**  
c Adoption credit. Attach Form 8839. **6c**  
d Credit for the elderly or disabled. Attach Schedule R. **6d**  
e Alternative motor vehicle credit. Attach Form 8910. **6e**  
f Qualified plug-in motor vehicle credit. Attach Form 8936. **6f**  
g Mortgage interest credit. Attach Form 8396. **6g**  
h District of Columbia tax credit. Attach Form 8859. **6h**  
i Qualified electric vehicle credit. Attach Form 8834. **6i**  
j Alternative fuel vehicle refunding property credit. Attach Form 8911. **6j**  
k Credit to holders of tax credit bonds. Attach Form 8912. **6k**  
l Amount on Form 8978, line 14. See instructions. **6l**  
m Other nonrefundable credits. List type and amount: **6m**  
7 Total other nonrefundable credits. Add lines 6a through 6z. **7**  
8 Add lines 1 through 5 and 7. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 20. **8**

(continued on page 2)  
For Paperwork Reduction Act Notice, see your tax return instructions.  
Code No. 171000 Schedule 3 (Form 1040) 2003

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**YOU DON'T HAVE TO COMPLETE FORM 1116 TO TAKE THIS CREDIT  
IF ALL OF THE FOLLOWING APPLY**

1. All of your foreign source gross income was from interest and dividends and all of that income and the foreign tax paid on it were reported to you on Form 1099-INT, Form 1099-DIV, or Schedule K-1 (or substitute statement).  
2. The total of your foreign taxes wasn't more than \$300 (not more than \$600 if married filing jointly).  
3. You held the stock or bonds on which the dividends or interest were paid for at least 16 days and weren't obligated to pay these amounts to someone else.  
4. You aren't filing Form 4563 or excluding income from sources within Puerto Rico.  
5. All of your foreign taxes were:  
a. Legally owed and not eligible for a refund or reduced tax rate under a tax treaty, and  
b. Paid to countries that are recognized by the United States and don't support terrorism.

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**NOTE:**

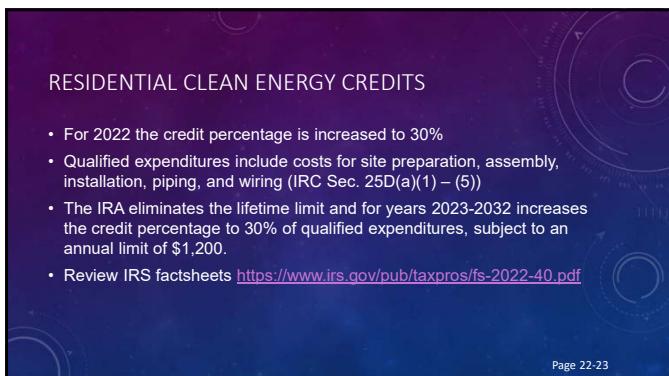
- **Child tax credit enhancements have expired**
- **Credit for child and dependent care expenses are less this year**
- **Education Credits**

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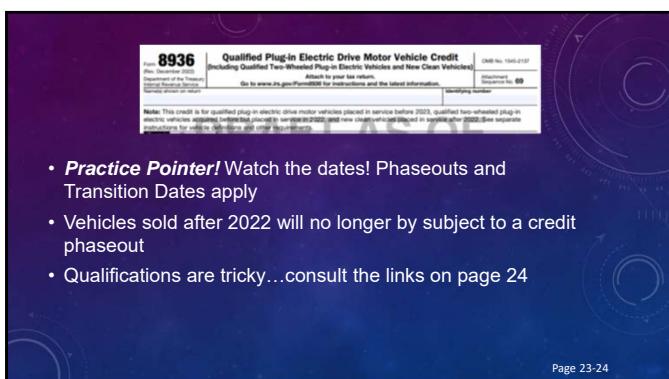
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PRIOR YEAR ENHANCEMENTS TO THE EIC DO NOT APPLY FOR 2022	
<b>Payments</b>	25 Federal income tax withheld from:
a	Form(s) W-2
b	Form(s) 1099
c	Other forms (see instructions)
d	Add lines 25a through 25c
	25a
	25b
	25c
	<b>25d</b>
26	2022 estimated tax payments and amount applied from 2021 return
27	Entered income credit (IC)
28	Additional child tax credit from Schedule 8812
29	American opportunity credit from Form 8863, line 8
30	Reserved for future use
31	Amount from Schedule 3, line 15
32	Add lines 27, 28, 29, and 31. These are your <b>total other payments and refundable credits</b>
33	Add lines 25d, 26, and 32. These are your <b>total payments</b>
	<b>26</b>
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	<b>32</b>
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<b>8867</b>	<b>Paid Preparer's Due Diligence Checklist</b>					
Form 8867 (Rev. November 2022)	Earned Income Credit (EIC), American Opportunity Tax Credit (AOTC), Child Tax Credit (CTC) (including the Additional Child Tax Credit (ACTC) and Child Tax Credit (CTC) for Dependents), and the Research Credit (RC) will be completed by preparer and filed with Form 1040, 1040-SR, 1040-NR, 1040-PR, or 1040-SS. Go to <a href="http://www.irs.gov/Form8867">www.irs.gov/Form8867</a> for instructions and the latest information.					
Department of the Treasury Internal Revenue Service Taxpayer names(s) shown on return	CMB No. 1545-0214 For tax year 20 _____ Attachment Sequence No. <b>70</b>	Taxpayer identification number				
Preparer's name	Preparer tax identification number					
<b>Part I Due Diligence Requirements</b> Please check the appropriate box for the credits) and/or HOH filing status claimed on the return and complete the related Parts I-V for the benefit(s) claimed (check all that apply). <table style="margin-left: 20px;"> <tr> <td><input type="checkbox"/> EIC</td> <td><input type="checkbox"/> CTC/ACTC/ODC</td> <td><input type="checkbox"/> AOTC</td> <td><input type="checkbox"/> HOH</td> </tr> </table>			<input type="checkbox"/> EIC	<input type="checkbox"/> CTC/ACTC/ODC	<input type="checkbox"/> AOTC	<input type="checkbox"/> HOH
<input type="checkbox"/> EIC	<input type="checkbox"/> CTC/ACTC/ODC	<input type="checkbox"/> AOTC	<input type="checkbox"/> HOH			
<b>Part VI Eligibility Certification</b>						

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<p><b>SCHEDULE LEP</b>  <b>(Form 1040)</b>            (Rev. December 2003)            Department of the Treasury            Internal Revenue Service</p>	<p style="text-align: center;"><b>Request for Change in Language Preference</b></p> <p style="text-align: center;">Attach to Form 1040, 1040-SR, 1040-NR, 1040-PR, or 1040-SS.            Go to <a href="http://www.irs.gov/ScheduleLEP">www.irs.gov/ScheduleLEP</a> for the latest information.</p> <p>Name of person making request (as written on tax return) <span style="float: right;">Social security number of person making request</span></p> <p>1 I would prefer to receive written communications (see instructions) from the IRS in the following language. Check only one.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 000 English (Español)         </td> <td style="width: 15%; vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 011 French (Français)         </td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 001 Spanish (Español)         </td> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 012 Japanese (日本語)         </td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 002 Korean (한국어)         </td> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 013 Korean (한국어)         </td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 003 Vietnamese (Tiếng Việt)         </td> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 014 Portuguese (Português)         </td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 004 Russian (Русский)         </td> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 015 Khmer (ខ្មែរ)         </td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 005 Arabic (العربية)         </td> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 016 Urdu (ଓଡ଼ିଆ)         </td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 006 Italian (Cinese (Cina) (Koyfay Aylisyeri)         </td> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 017 Bengali (বাংলা)         </td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 007 Tagalog (Filipino)         </td> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 018 Italian (Italiano)         </td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 008 Portuguese (Português)         </td> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 019 Chinese (Traditional) 中文 (繁體)         </td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 009 Polish (Polski)         </td> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 020 Chinese (Simplified) 中文 (简体)         </td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 010 Farsi (فارسی)         </td> <td style="vertical-align: top; padding-right: 10px;"> <input type="checkbox"/> 021 Persian (فارسی)         </td> </tr> </table> <p>For Paperwork Reduction Act Notice, see your tax return instructions. <span style="float: right;">Cat. No. 74174D</span> <span style="float: right;">Schedule LEP (Form 1040) (Rev. 12-2003)</span></p>	<input type="checkbox"/> 000 English (Español)	<input type="checkbox"/> 011 French (Français)	<input type="checkbox"/> 001 Spanish (Español)	<input type="checkbox"/> 012 Japanese (日本語)	<input type="checkbox"/> 002 Korean (한국어)	<input type="checkbox"/> 013 Korean (한국어)	<input type="checkbox"/> 003 Vietnamese (Tiếng Việt)	<input type="checkbox"/> 014 Portuguese (Português)	<input type="checkbox"/> 004 Russian (Русский)	<input type="checkbox"/> 015 Khmer (ខ្មែរ)	<input type="checkbox"/> 005 Arabic (العربية)	<input type="checkbox"/> 016 Urdu (ଓଡ଼ିଆ)	<input type="checkbox"/> 006 Italian (Cinese (Cina) (Koyfay Aylisyeri)	<input type="checkbox"/> 017 Bengali (বাংলা)	<input type="checkbox"/> 007 Tagalog (Filipino)	<input type="checkbox"/> 018 Italian (Italiano)	<input type="checkbox"/> 008 Portuguese (Português)	<input type="checkbox"/> 019 Chinese (Traditional) 中文 (繁體)	<input type="checkbox"/> 009 Polish (Polski)	<input type="checkbox"/> 020 Chinese (Simplified) 中文 (简体)	<input type="checkbox"/> 010 Farsi (فارسی)	<input type="checkbox"/> 021 Persian (فارسی)	C 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 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737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 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<input type="checkbox"/> 000 English (Español)	<input type="checkbox"/> 011 French (Français)																							
<input type="checkbox"/> 001 Spanish (Español)	<input type="checkbox"/> 012 Japanese (日本語)																							
<input type="checkbox"/> 002 Korean (한국어)	<input type="checkbox"/> 013 Korean (한국어)																							
<input type="checkbox"/> 003 Vietnamese (Tiếng Việt)	<input type="checkbox"/> 014 Portuguese (Português)																							
<input type="checkbox"/> 004 Russian (Русский)	<input type="checkbox"/> 015 Khmer (ខ្មែរ)																							
<input type="checkbox"/> 005 Arabic (العربية)	<input type="checkbox"/> 016 Urdu (ଓଡ଼ିଆ)																							
<input type="checkbox"/> 006 Italian (Cinese (Cina) (Koyfay Aylisyeri)	<input type="checkbox"/> 017 Bengali (বাংলা)																							
<input type="checkbox"/> 007 Tagalog (Filipino)	<input type="checkbox"/> 018 Italian (Italiano)																							
<input type="checkbox"/> 008 Portuguese (Português)	<input type="checkbox"/> 019 Chinese (Traditional) 中文 (繁體)																							
<input type="checkbox"/> 009 Polish (Polski)	<input type="checkbox"/> 020 Chinese (Simplified) 中文 (简体)																							
<input type="checkbox"/> 010 Farsi (فارسی)	<input type="checkbox"/> 021 Persian (فارسی)																							

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<p><b>SCHEDULE A</b> <b>(Form 1040)</b></p> <p>Department of the Treasury Internal Revenue Service Name(s) shown on Form 1040 or 1040-SR</p>	<p style="text-align: center;"><b>Itemized Deductions</b></p> <p style="text-align: center;">Go to <a href="http://www.irs.gov">www.irs.gov</a> for instructions and the latest information. Attach to Form 1040 or 1040-SR.</p> <p><b>Caution:</b> If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.</p>	<p>OMB No. 1545-0074 <b>2022</b> Attachment Sequence No. 07 Your social security number</p>
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<b>SCHEDULE B</b> (Form 1040) <small>Department of the Treasury Internal Revenue Service</small> <small>Names shown on return</small>	<p style="text-align: center;"><b>Interest and Ordinary Dividends</b></p> <p style="text-align: center;">Go to <a href="http://www.irs.gov/ScheduleB">www.irs.gov/ScheduleB</a> for instructions and the latest information. Attach to Form 1040 or 1040-SR.</p>	<small>OMB No. 1145-0014</small> <div style="text-align: center;"> <b>2022</b>  <small>Attachment Sequence No. 08</small> </div> <div style="text-align: right;"> <small>Your social security number</small> </div>				
<b>Part I</b> <b>Interest</b>	<p>1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address:</p>	<small>Amount</small>				
<b>Part II</b> <b>Ordinary Dividends</b>	<p>5 List name of payer:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"></td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td></td> </tr> </table>					
<p>6 Add the amounts on line 5. Enter the total here and on Form 1040 or 1040-SR, line 3b</p>		<b>6</b>				

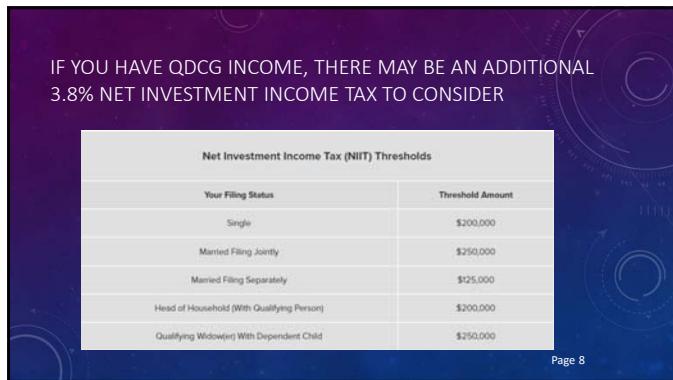
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<p><b>Note:</b> If line 6 is over \$1,500, you must complete Part III.</p> <p><b>Part III</b>  <b>Foreign</b>  <b>Accounts</b>  <b>and</b>  <b>Trusts</b></p> <p>Generally, failure to file Form 114 may result in administrative penalties. However, you may be required to file Form 114 if you are a grantor of a financial account, or if you are a signatory to a financial account, securities account, or brokerage account located in a foreign country. See Instructions.</p> <p><b>7a</b> At any time during 2022, did you have a financial interest in or signature authority over a financial account, securities account, or brokerage account located in a foreign country? See Instructions.</p> <p><b>b</b> If you are required to file Form 114, list the name(s) of the foreign country(ies) where the financial account(s) are located.</p> <p><b>8</b> During 2022, did you receive a distribution from, or were you the grantor of, or transferor to, a financial account located in a foreign country? See Instructions.</p> <p><b>For Paperwork Reduction Act Notice, see your return instructions.</b></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
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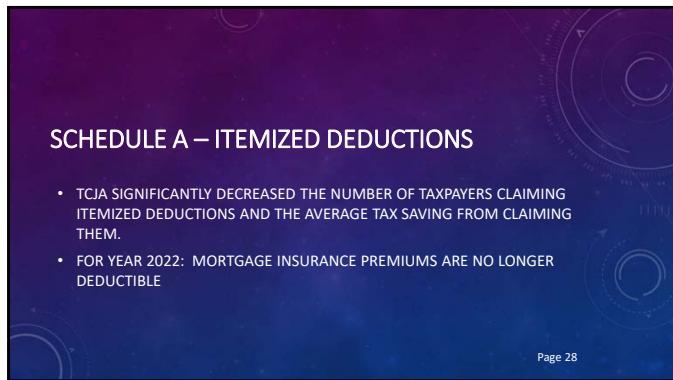
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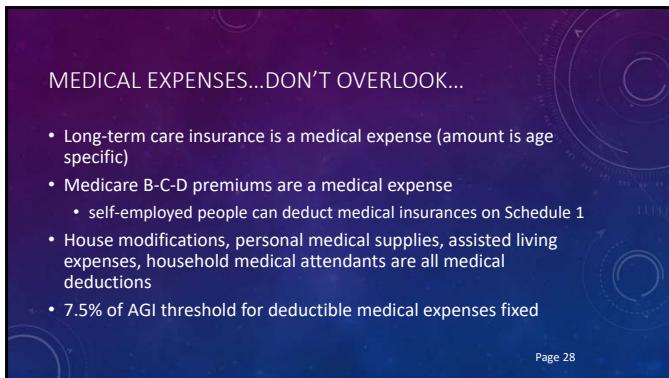
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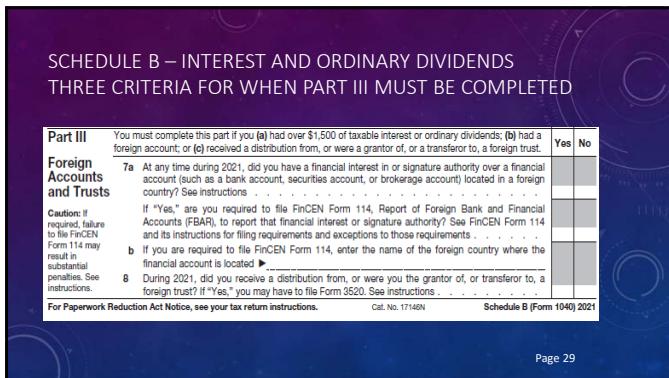
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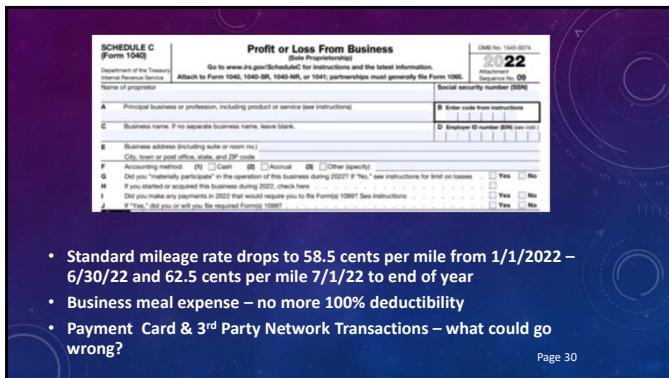
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- **CONSIDER:**
  - Behavioral control
  - Financial control
  - Relationship of the parties

## Worker Classification - Still an Issue

Page 30

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## EXCESS BUSINESS LOSS LIMITATION

- Courtesy of the TCJA
- Consider losses from Schedule C and Schedule E (Rentals and pass-throughs). (The process is deceiving and confusing...*where'd that number come from?*

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**461**

Department of the Treasury  
Internal Revenue Service

Form 461 (2023)

**Limitation on Business Losses**

Attachment  
Sequence No. 64

Attach to your tax return.

Go to [irs.gov/Form461](http://www.irs.gov/Form461) for instructions and the latest information.

OMB No. 1545-0383

**22**

Identifying number

Name(s) shown on return

**Part I** Total Income-Loss Items

If you are filing a tax return other than Form 1040 or 1040-SR.

1	Reserved for future use	1
2	Enter amount from Schedule 1 (Form 1040), line 3	2
3	Enter amount from Schedule 1 (Form 1040), line 4	3
4	Enter amount from Schedule 1 (Form 1040), line 4	4
5	Enter amount from Schedule 1 (Form 1040), line 5	5
6	Enter amount from Schedule 1 (Form 1040), line 6	6
7	Reserved for future use	7
8	Enter amount from Schedule 1 (Form 1040), lines 1 through 7	8
9	Combine lines 1 through 8	9

**Part II** Adjustment for Amounts Not Attributable to Trade or Business

If you are filing a tax return other than Form 1040 or 1040-SR.

10	Enter any amount not attributable to a trade or business	10
11	Enter any amounts reported on lines 1 through 8 that are not attributable to a trade or business. See instructions	11
12	Subtotal line 11 from line 10	12

**Part III**

13	If line 12 is a negative number, enter it here as a positive number. If line 12 is a positive number, enter it here as a negative number	13
14	Add lines 9 and 13.	14
15	Enter line 14 if less than \$50,000 (if married filing jointly).	15
16	Add lines 14 and 15. If less than zero, enter the amount from line 16 as a positive number on Schedule 1 (Form 1040) or Schedule 1 (Form 1040-SR), as applicable, for your tax return other than a Form 1040 or 1040-SR.	16

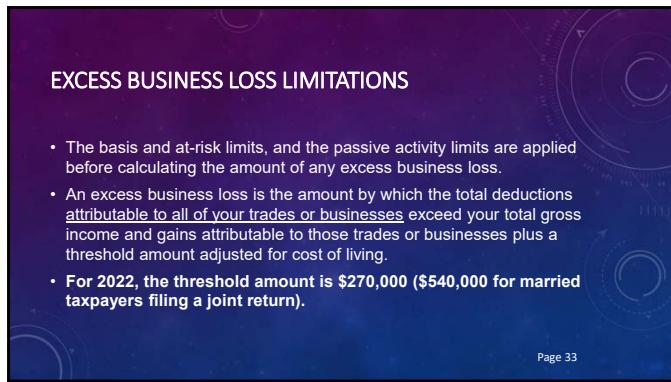
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 16058B

Form 461 (2023)

\*Page 32

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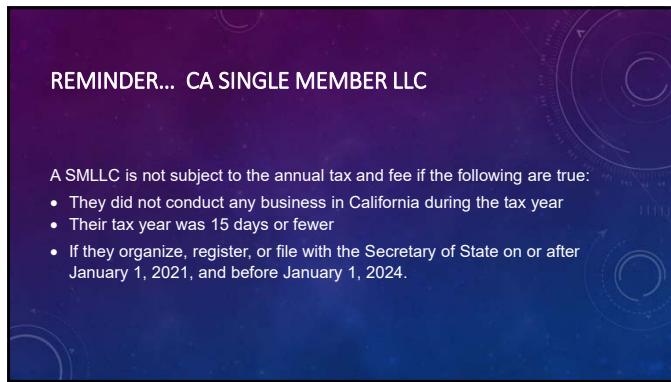
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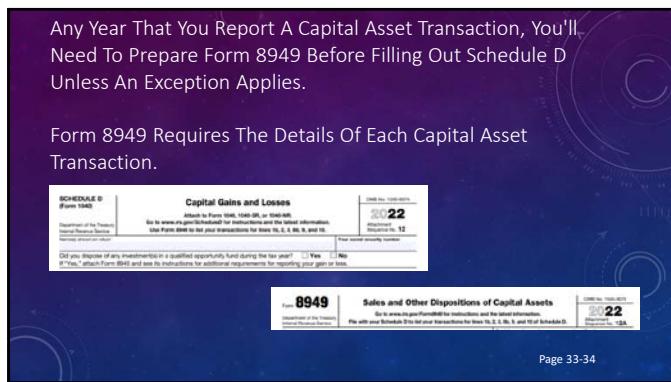
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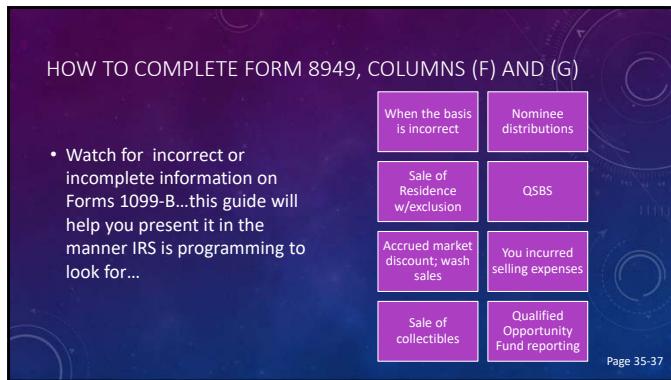
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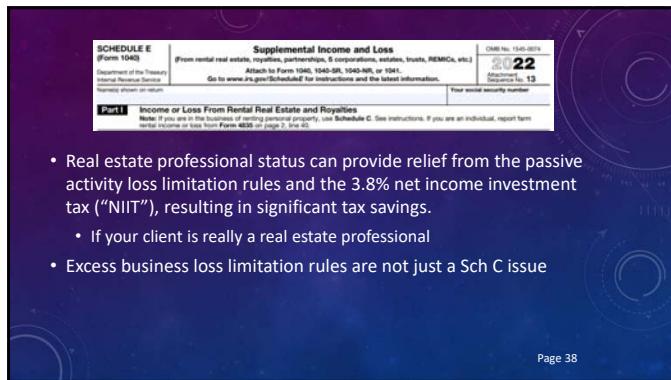
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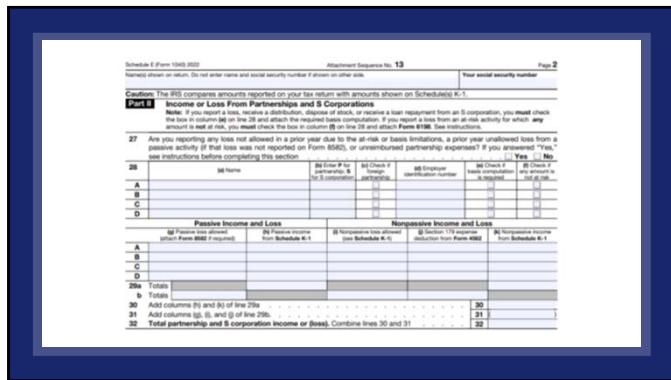
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**OBSERVATIONS ON SCHEDULE E, PART II**

- Limitations on losses:
  - The basis limits
  - The at-risk limits
  - The passive activity loss limitations; and
  - The excess business loss limitations
- See Form 7203 – S Corp Shareholder Stock and Debt Basis Limitations

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**K-2, K-3 FILING EXCEPTION CRITERIA  
(FOREIGN TAX CREDIT ISSUE)**

1. No or limited foreign activity
2. US Citizen/resident alien partners
3. Partner notification - The 2023 deadline for notification is January 15, 2023.
4. No 2022 Schedule K-3 requests by the 1-month date
  1. if a partner fails to request the Schedule K-3 by February 15, she/he can still request it after that date, and the partnership is required to provide the requested information to that partner.

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**DEDUCTING LOSSES IN EXCESS  
OF SHAREHOLDER'S BASIS IS  
NOT A CHOICE...**



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<p>Form 7203 2008 December 2008 Internal Revenue Service Circular 2300, Part 1, Section 1 Circular 2300, Part 2, Section 1</p>	<p><b>S Corporation Shareholder Stock and Debt Basis Limitations</b></p> <p>For the tax year ending <input type="text"/> 2008 Go to <a href="http://www.irs.gov/Form7203">www.irs.gov/Form7203</a> for instructions and the latest information.</p>	<p>Form 7203 2008 December 2008 Internal Revenue Service Circular 2300, Part 1, Section 1 Circular 2300, Part 2, Section 1</p>																						
<p><b>Part 1</b> Shareholder Identification</p> <p><input type="checkbox"/> Name of corporation <input type="checkbox"/> Name of individual <input type="checkbox"/> Block stock (see instructions) <input type="checkbox"/> Qualified stock (see instructions) (check if stock was acquired:            (A) <input type="checkbox"/> Original shareholder <input type="checkbox"/> Purchased <input type="checkbox"/> Inherited <input type="checkbox"/> Gift <input type="checkbox"/> Other:            (B) <input type="checkbox"/> Check if you have a Regulations section 1.1307-1(g) election in effect during the tax year for this S corporation.</p>		<p>Form 7203 2008 December 2008 Internal Revenue Service Circular 2300, Part 1, Section 1 Circular 2300, Part 2, Section 1</p>																						
<p><b>Part 2</b> Shareholder Stock Basis</p>		<p>Form 7203 2008 December 2008 Internal Revenue Service Circular 2300, Part 1, Section 1 Circular 2300, Part 2, Section 1</p>																						
<p><b>Part 3</b> Shareholder Debt Basis</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="6">Section A - Amount of Debt (If more than three debtors, see instructions)</th> </tr> <tr> <th rowspan="2">Description</th> <th style="text-align: center;"><input type="checkbox"/> <b>Method 1</b></th> <th style="text-align: center;"><input type="checkbox"/> <b>Method 2</b></th> <th style="text-align: center;"><input type="checkbox"/> <b>Method 3</b></th> <th style="text-align: center;"><input type="checkbox"/> <b>Total</b></th> <th rowspan="2"></th> </tr> <tr> <th style="text-align: center;">Formal note Open account</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Section A - Amount of Debt (If more than three debtors, see instructions)						Description	<input type="checkbox"/> <b>Method 1</b>	<input type="checkbox"/> <b>Method 2</b>	<input type="checkbox"/> <b>Method 3</b>	<input type="checkbox"/> <b>Total</b>		Formal note Open account	Formal note Open account	Formal note Open account	Formal note Open account						
Section A - Amount of Debt (If more than three debtors, see instructions)																								
Description	<input type="checkbox"/> <b>Method 1</b>	<input type="checkbox"/> <b>Method 2</b>	<input type="checkbox"/> <b>Method 3</b>	<input type="checkbox"/> <b>Total</b>																				
	Formal note Open account	Formal note Open account	Formal note Open account	Formal note Open account																				
<p><b>Part 4</b> Shareholder Allowable Loss and Deduction Items</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Description</th> <th style="text-align: center;"><input type="checkbox"/> <b>Method 1</b></th> <th style="text-align: center;"><input type="checkbox"/> <b>Method 2</b></th> <th style="text-align: center;"><input type="checkbox"/> <b>Method 3</b></th> <th rowspan="2"></th> </tr> <tr> <th style="text-align: center;">Current year losses and deductions</th> <th style="text-align: center;">Carryover losses from column (3) of the previous year</th> <th style="text-align: center;">Allowable loss from stock basis</th> <th style="text-align: center;">Allowable loss from net worth</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Description	<input type="checkbox"/> <b>Method 1</b>	<input type="checkbox"/> <b>Method 2</b>	<input type="checkbox"/> <b>Method 3</b>		Current year losses and deductions	Carryover losses from column (3) of the previous year	Allowable loss from stock basis	Allowable loss from net worth													
Description	<input type="checkbox"/> <b>Method 1</b>	<input type="checkbox"/> <b>Method 2</b>		<input type="checkbox"/> <b>Method 3</b>																				
	Current year losses and deductions	Carryover losses from column (3) of the previous year	Allowable loss from stock basis	Allowable loss from net worth																				

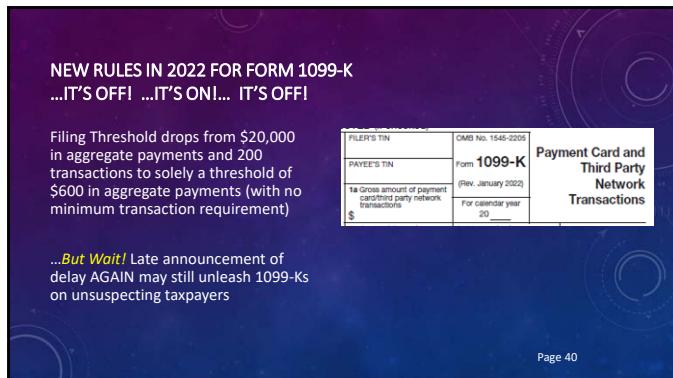
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## FORM 7203, *S CORPORATION SHAREHOLDER STOCK AND DEBT BASIS LIMITATIONS*

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## FORM 7203, S CORPORATION SHAREHOLDER STOCK AND DEBT BASIS LIMITATIONS (continued)

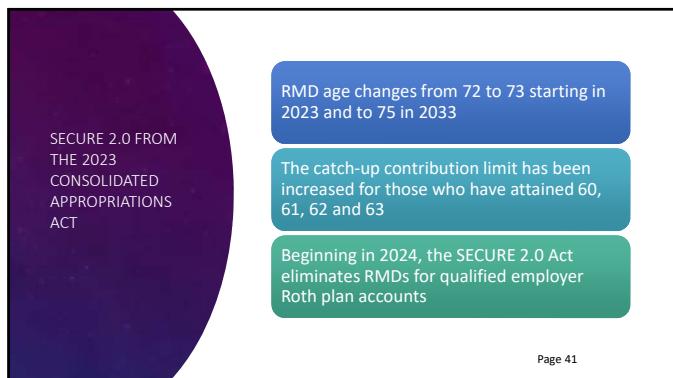
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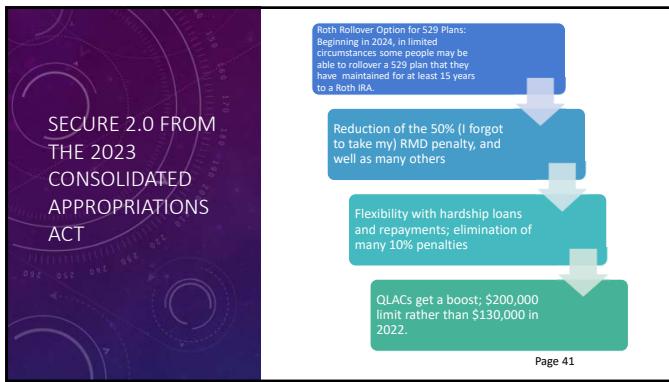
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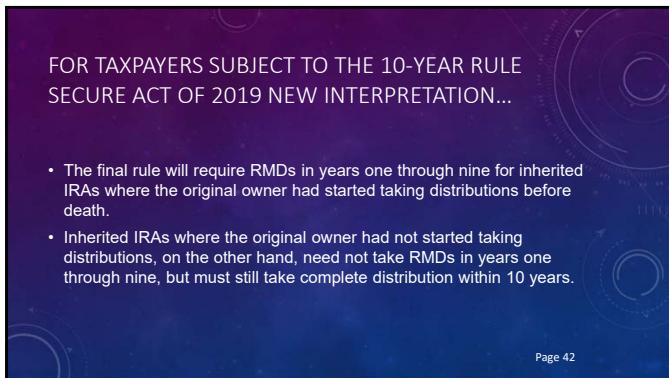
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TABLE 1  
SINGLE LIFE EXPECTANCY FOR  
BENEFICIARIES

Table I (Single Life Expectancy) (For Use by Beneficiaries)			
Age	Life Expectancy	Age	Life Expectancy
60	27.1	91	5.3
61	26.2	92	4.9
62	25.4	93	4.6
63	24.5	94	4.3
64	23.7	95	4.0
65	22.9	96	3.7
66	22.0	97	3.4
67	21.2	98	3.2
68	20.4	99	3.0
69	19.6	100	2.8
70	18.8	101	2.6
71	18.0	102	2.5
72	17.2	103	2.3
73	16.4	104	2.2
74	15.6	105	2.1
75	14.8	106	2.1
76	14.1	107	2.1
77	13.3	108	2.0
78	12.6	109	2.0
79	11.9	110	2.0

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TABLE II  
(Joint Life and Last Survivor Expectancy)  
(For Use by Owners Whose Spouses Are More Than 10 Years Younger and Are the Sole Beneficiaries of Their IRAs)

Age	61	62	63	64	65	66	67	68	69	70
76	28.2	27.4	26.6	25.9	25.2	24.5	23.8	23.1	22.4	21.0
77	28.0	27.3	26.5	25.7	25.0	24.3	23.5	22.9	22.2	21.5
78	27.9	27.1	26.5	25.6	24.9	24.1	23.4	22.7	22.0	21.3
79	27.8	27.0	26.2	25.5	24.7	23.9	23.2	22.5	21.8	21.1
80	27.8	26.9	26.1	25.3	24.6	23.8	23.1	22.3	21.6	20.9
81	27.7	26.8	26.0	25.2	24.5	23.7	22.9	22.1	21.5	20.7
82	27.6	26.8	26.0	25.2	24.4	23.6	22.8	22.1	21.3	20.6
83	27.5	26.7	25.9	25.1	24.3	23.5	22.7	22.0	21.2	20.5
84	27.5	26.7	25.6	25.0	24.2	23.4	22.6	21.9	21.1	20.4
85	27.4	26.6	25.8	25.0	24.1	23.3	22.6	21.8	21.0	20.3
86	27.4	26.6	25.7	24.9	24.1	23.3	22.5	21.7	20.9	20.2
87	27.3	26.5	25.7	24.9	24.0	23.2	22.4	21.6	20.8	20.1
88	27.3	26.5	25.6	24.8	24.0	23.2	22.4	21.6	20.8	20.0
89	27.3	26.4	25.6	24.8	23.9	23.1	22.3	21.5	20.7	20.0
90	27.3	26.4	25.6	24.7	23.9	23.1	22.3	21.5	20.7	19.9
91	27.3	26.4	25.6	24.7	23.9	23.1	22.3	21.5	20.7	19.9
92	27.2	26.4	25.6	24.7	23.9	23.1	22.2	21.4	20.6	19.8
93	27.2	26.4	25.5	24.7	23.8	23.0	22.2	21.4	20.6	19.8
94	27.2	26.3	25.5	24.7	23.8	23.0	22.2	21.4	20.6	19.6

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## RMD UNIFORM LIFETIME TABLE III

Table III (For Use by: Unmarried Owners; Married Owners Whose Spouses Aren't More Than 10 Years Younger, and Married Owners Whose Spouses Aren't the Sole Beneficiaries of Their (RA)S)			
Age	Distribution Period	Age	Distribution Period
72	27.4	85	7.8
73	26.5	86	7.3
74	25.5	87	6.8
75	24.5	88	6.4
76	23.7	89	6.0
77	22.9	90	5.6
78	22.0	91	5.2
79	21.1	92	4.9
80	20.2	93	4.6
81	19.4	94	4.3
82	18.5	95	4.1
83	17.7	96	3.9
84	16.8	97	3.7
85	16.0	98	3.5
86	15.2	99	3.4
87	14.4	100	3.3
88	13.7	101	3.1
89	12.9	102	3.0
90	12.2	103	2.9
91	11.5	104	2.8
92	10.8		2.7
93	10.1		2.5
94	9.5	119	2.3
95	8.9		2.2
96	8.4	120 and over	2.0

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## USING QCDs IN LIEU OF RMDs 1099R Reporting (or not)

- A QCD as a distribution from an IRA, whose owner is at least age 70½, made directly to one or more specified charitable organizations, provided the distribution would be includable in the IRA owner's gross income if it were made to the owner instead
- A Qualified Charitable Distribution (QCD) is a direct transfer of funds from the taxpayer's IRA custodian, payable to a qualified charity
- QCDs can be counted toward satisfying the account owner's RMDs for the year, as long as certain rules are met
- A taxpayer can exclude from gross income up to \$100,000 of QCDs each year

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## IRS CONFUSION ABOUT QCD'S IS A FREQUENT GENERATOR OF CP-2000 INQUIRIES

- Be sure you are correctly reporting the transaction (don't let the client "double dip")
- Be proactive: document the charities to whom the QCD was transferred in the Statements section of your tax return

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FOR YOUR CLIENTS RECEIVING PAYING FOR MEDICARE...

- MAKE MEDICARE PLANNING AN ANNUAL PART OF CLIENT TAX PLANNING
- ABOUT 7 PERCENT OF MEDICARE BENEFICIARIES PAY THE INCOME-ADJUSTED PREMIUMS

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Full Part B Coverage				
Beneficiaries who file individual tax returns with modified adjusted gross income:	Beneficiaries who file joint tax returns with modified adjusted gross income:	Income-Related Monthly Adjustment Amount	Total Monthly Premium Amount	
Less than or equal to \$59,000	Less than or equal to \$194,000	\$0.00	\$164.90	
Greater than \$97,000 and less than or equal to \$123,000	Greater than \$194,000 and less than or equal to \$246,000	\$65.90	\$230.80	
Greater than \$123,000 and less than or equal to \$153,000	Greater than \$246,000 and less than or equal to \$306,000	\$164.80	\$329.70	
Greater than \$153,000 and less than or equal to \$183,000	Greater than \$306,000 and less than or equal to \$366,000	\$263.70	\$428.60	
Greater than \$183,000 and less than \$500,000	Greater than \$366,000 and less than \$750,000	\$362.60	\$527.50	

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YOU CAN HELP IF YOUR CLIENT'S HIGH-INCOME YEAR WAS AN ANOMALY

- Change to marital status, divorce or became widowed;
- Taxpayer stopped working or reduced their work hours;
- Taxpayer or spouse lost income-producing property because of a disaster or other event beyond their control;
- Taxpayer or spouse experienced a scheduled cessation, termination, or reorganization of an employer's pension plan; or
- Taxpayer or spouse received a settlement from an employer or former employer because of the employer's closure, bankruptcy, or reorganization.

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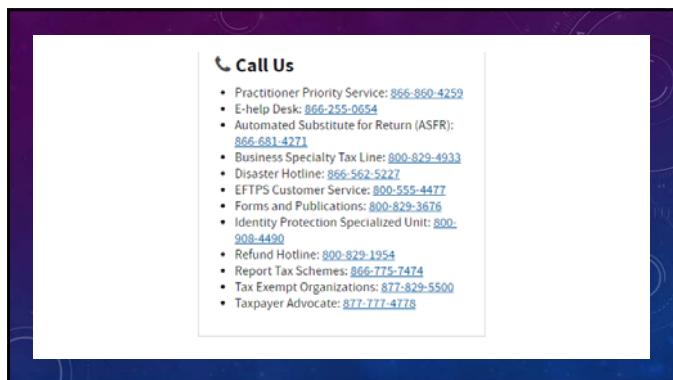
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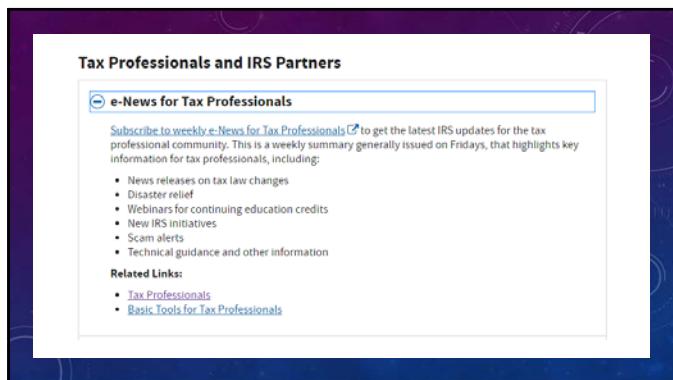
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