



Extensions

As with the rest of the world, the accounting industry is feeling the effects of the current economy and going through a labor shortage at the same time. Less grad's are entering the field and baby boomer CPA's are retiring at a high rate. Additionally, mid-career CPA's are leaving the grueling hours behind for opportunities with better work-life balance. The result is we have more work than ever to do with less staff. At Werner, O'Meara, & Co., we are deploying strategies to keep our current staff, attract new staff, and balance the work load. Balancing the work load is where you, the client, comes in. Beginning next tax season we will have a renewed emphasis on filing extensions which allow us to spread our work into the fall. Here are some facts about extensions:

1. Extensions are NOT a red flag (or any flag) to the IRS. They do not increase the likelihood of an audit.
2. Extensions allow an additional 6-months to file paperwork but not to pay—so, we still need to work up an estimate before the deadline. If you owe, interest and penalties begin to accumulate after April 15th.
3. Extensions are more cost effective than filing an amended return down the road.

We understand many of you like to have your tax return completed before April 15th so to accomplish this we will have a cutoff date of March 15th for the 2023 filing season. We will need to have 100% of your tax information submitted by March 15th in order to complete your tax return without extension. We will write a more detailed article about this change in our January 2023 newsletter.



✉ Aliina Anton-Erik, CPA/PFS

Cryptocurrency and Tax:

As Bitcoin and other cryptocurrency become increasingly popular, it is important to understand there are tax consequences to mining, staking, selling, trading, or using cryptocurrency to make purchases. The crypto market is extremely volatile which could lead to significant taxable gains or losses. What is the tax impact of your crypto activity? We are happy to help you plan and understand, but it all starts with good records.

If you are using a broker, such as Interactive Brokers or Robinhood, they will track the taxable activity and provide you with a 1099 package each year that contains the information we need. No additional work for you. If you are using a trading platform such as Coinbase or Binance, you can get records of your activity, but that does not mean it will be easy to determine the tax. The good news is crypto software such as CoinTracker, Koinly, or Token Tax will track your activity and can produce the tax forms and information we need. Tracking your own activity for tax can be cumbersome and time consuming. We recommend using the tools that are available.



Not sure how cryptocurrency affects your taxes? Give us a call to find out!

 Rachel Sites, CPA

QuickBooks Moving to Subscription Only

If you use QuickBooks desktop, you have probably received information about moving to a monthly subscription. Historically when you purchased QB desktop you had 3 years of updates/support. Starting with the 2022 version of QB desktop this is no longer an option.

As of May 31st, 2022 QuickBooks 2019 and earlier versions are no longer supported. This means that many of their most useful features are discontinued. This includes; security updates, online support, online banking connectivity and payroll.



If this affects your business, or you are looking for accounting software, give us a call and we can help you decide what the best option is for your books and records moving forward.

 Charlie Meyerson, CPA

Where's My Refund?

Is your tax return done but you have not received your refund? Lucky for you, the IRS has a “Where’s My Refund” resource that allows you to check the status of your refund for the tax years 2019, 2020, and 2021.

On the “Where’s My Refund” webpage, found here: <https://www.irs.gov/refunds>, there is a link to “check my refund status” which takes you to the refund portal.



In order to get your status you must enter the correct tax year, your social security number, your filing status, and the exact refund claimed on your tax return. All of this information is listed on the first page of your tax return.

If you have trouble locating the necessary information, please give our office a call and our admin team will be happy to help you.

✉ Alexandra Carney

Electronic Filing with the IRS

Now more than ever it is prudent to electronically file everything we can with the IRS. At the beginning of 2022 the IRS had a backlog of over 10 million tax returns. They all had one thing in common, they were paper filed. Every paper filed return is hand entered by an IRS agent into their system so it can be electronically processed and checked for errors.

This system has 2 inherent drawbacks –

1. Potential for human error,
2. Avoidable scrutiny of your tax return.

As the IRS continues to have a shortage of employees, there is no timeframe for this backlog to clear. At the same time there is no backlog, at all, for electronically filed returns. By filing electronically it allows your return to be processed as securely and efficiently as possible.



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