

Extensions

This past tax season we filed more extensions for Individual Income Tax Returns than ever before. Not only does this allow us to better manage our workloads and provide the best service to our clients, but it also preserves the opportunity to e-file a superseded tax return.

2022 was the first tax year that the IRS began allowing taxpayers to e-file a superseded Individual Income Tax Return (instead of amending) until the extended due date. This means if a mistake is found, additional/corrected information is received, or we want to make/revoke an election, we can just refile the tax return and the first version goes away entirely. The IRS won't be able to compare and ask questions like they would with an amended return. Filing a superseded return is also easier and less complicated to prepare. This benefit has been available electronically for businesses for several years and we routinely file extensions for many of our business clients to preserve the opportunity to file a superseded return. Now that we can do the same with Individual returns, we will look at filing extensions for more of our 1040 clients, as well. It doesn't mean we won't file your tax return on time if we receive all your documents by March 15th, it just means that we can override the first return until the extended due date of October 15th if needed, without filing an amended return. This is another opportunity to provide our clients with the best possible options when filing their returns.



∞ Aliina Anton-Erik, CPA/PFS

Volume 2023
Issue 2

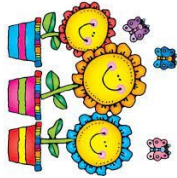
The Log: A Werner, O'Meara & Co. Newsletter



W*erner*
O'Meara & Company PLLC

CPAs and Consultants

19109 36th Ave West, Suite 213
Lynnwood, WA 98036
Phone: 425.774.8888
Email: admin@werner CPA.com



Do I Need an IRS Online Account?

By creating an online IRS account you can make tax payments, view your payment history, view records from recently filed tax returns, and acquire transcripts for previous years.

If you are required to make estimated tax payments, you can make the payments securely online. We recommend this payment method over mailing a check.

If you owe, an online account will also allow you to manage a payment plan with the IRS. You can view an existing payment plan balance or create a new one.

Using an online account is a far more efficient and pleasant experience than communicating with the IRS by phone or mail—they rarely answer anymore. We recommend an IRS online account for all our clients.

✎ Rachel Griscom, CPA

Do I Need an IRS Identity Protection PIN?

The IRS offers identity theft protection PINs for taxpayers that want an extra layer of security. If a scammer gets ahold of your personal information, they can try to file a fraudulent tax and claim a refund for themselves. However if you have a PIN, even a scammer that has your social security number will not be able to file a tax return.

PINs are six-digit numbers that are good for one tax year at a time. Taxpayers, spouses, and dependents can get them. When you file your tax return, you provide the PIN to verify your identity to the IRS. Even if you are not required to file a tax return, a PIN will insure that no scammer can file one for you.

If you decide to get a PIN for 2023, make sure you keep a record of it with your tax documents for next year's tax season.



✎ Rachel Griscom, CPA

Save your Home Improvement Receipts

As homeowners, we invest time, effort, and money into improving our properties. These home improvements not only enhance our living spaces but can also have significant financial implications when it comes to calculating our tax obligations. One vital aspect of maximizing tax benefits is maintaining proper documentation, especially when it comes to keeping home improvement receipts.

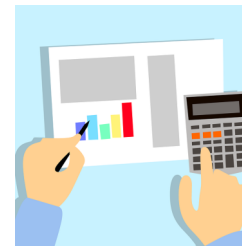
Your receipts serve as documentation for tax purposes, helping you to substantiate the full cost of your property resulting from qualifying home improvements. By accurately calculating your basis (basis refers to the cost of your home for tax purposes), you can potentially reduce your capital gain tax liability when you sell your home.

Make it a habit to keep and organize your home improvement receipts, ensuring you are well-prepared for any future tax obligations or audit inquiries.

✎ Alexandra Carney



Washington's Capital Gains Tax



Washingtonians are now subject to a 7% capital gains tax on stock profits in excess of \$250,000 per household, with plenty of exemptions. The tax is retroactive to 1/1/22. Washingtonians are to remit the tax through a state run webpage. If the law is ultimately overturned, any remitted taxes will be paid back, with interest. We will keep our eye on this case and let you know of major developments as they happen.

✎ Charlie Meyerson, CPA