

Wm. Thomas Baker, P.A.

CERTIFIED PUBLIC ACCOUNTANT

For Business Returns

2024 Tax Year www.wmtombakercpa.com

tom@tombakercpa.com

PORTAL SYSTEM:

I will be sending out an invitation this year for you to log into a portal if you have not done so. This will include a company organizer. For those of you with multiple companies, it will be easier for you and I to use the exchange portal, which I will send to you separately if requested.

Reasons for Portal use:

- I have increased capacity to receive QuickBooks files through the portal system, let me know when ready and I can send you the link.
- You can also access your returns for a year.

LETTERS FOR BANKS AND UNDERWRITERS:

I have been requested numerous times for various letters to be written on client's behalf by banks and underwriters. They are asking for letters as to whether clients can withdraw money without damaging the business, letters to whether the company will continue to be profitable, letters as to whether the business in house statements are accurate. CPA's cannot write such letters. It's a problem in that it puts me in conflict with you the client and the bankers. Good, knowledgeable bankers do not ask for these kinds of representation, but some of the internet based mortgage business ask for all sorts of things!

On my website I have listed some details on these kinds of letters if you wish more information.

Unusual Items for 2024:

1. For 2024 there has been a new area of reporting called "The Corporate Transparency Act. This has been suspended, but I believe most of you have already filed so for now you can rest easy. For those of you who have not filed, this could be reinstated, I suggest you file so you don't have to follow this!
2. If your business had any foreign activity or accounts I need to know that so we can properly handle it. There is increased scrutiny for foreign activity and may require a form K2 and K3 to be prepared.

2024 INFORMATION:

- The Code still requires the capitalization of R and D expenses. This applies even if you are not claiming the credit.
- The mileage rate changed for 2024 to 67 cents per mile due to the gas price hike.
- The 100% deduction for meals has expired. It is now 50% for 2024.

- The bonus depreciation deduction is now 60% of qualifying assets instead of 80% as in 2023.

Keep the following in Mind

- There are no longer tax free trade-ins of equipment. So if you trade in a vehicle, or piece of machinery, there will be a taxable event with the trade in value being the sales price.
- There was a landmark case passed concerning sales taxes to be collected in states where you may have sales but no physical presence (internet based mostly). Also with more people having remote workers in other states it's critical we talk about what states you might have to file in. **You should check with the various states you do business in to see what their rules are, It is not part of my tax engagement to do this.**
- There is no longer a deduction for entertainment. Most meals still qualify. I would refer you to IRS publication 463 (a copy of which is on my website).

REQUEST FOR SCANNED DOCUMENTS:

I would appreciate it if you could just send me scanned documents rather than originals, it's easier for both of us to manage. You can upload these through the portal system or I can send you a link.

WEBSITE:

Please refer to my website as listed above to get more information on tax laws, privacy policy, and other information.

www.wmtombakercpa.com

Tom Baker CPA