

Brunette Tax & Accounting, LLC

Nov '22

Issue 29



Separate Mileage Rates for 2022

Record keeping for miles is a bit different this year. The rate changed midway through the year. Taxpayers will now need records broken up from January-June and July-December.

purpose	Dates 1/1-6/30	7/1-12/31
Business	58.5¢/mi	62.5¢/mi
Medical/Moving	18¢/mi	22¢/mi
Charitable	14¢/mi	14¢/mi

2023 HSA Contribution Limits

Single Plan - \$3,850

Family Plan - \$7,750

Additional \$1,000 if age 55 or older

2023 Contribution Limits

	Limit	Age 50 or Older
Simple	\$ 15,500	\$ 17,000
401(k), 403(b), 457	\$ 22,500	\$ 30,000
IRA	\$ 6,500	\$ 7,500

Inflation Reduction Bill

In August, the Inflation Reduction Act was signed into law. The bill contains several tax provision and environmental and clean energy credits. Starting in 2023,:

- o A 15% corporate alternative minimum tax on large corporations
- o A 1% excise tax on stock buybacks
- o Various credits for producing energy from renewable sources, clean hydrogen, and zero emission nuclear power
- o Credits for purchasing both new and used clean-energy vehicles
- o An extension, increase, and modification of new energy efficient home credit
- o An increase energy credit for solar and wind facilities in certain low-income communities
- o An extension and modification of the residential energy credit

Interest Rates Increase for 4th Quarter

The IRS has announced that interest rates will increase for the calendar quarter beginning October 1, 2022. Here is a complete list of the new rates:

- 6% for overpayments (5% for corporations)
- 3.5% for the portion of a corporate overpayment exceeding \$10,000.
- 6% for underpayments. (taxes owed but not fully paid)
- 8% for large corporate underpayments. Business payroll costs (including sick leave)



Keeping Adequate Records of Travel Expenses

Documentation such as receipts, checks, and bills are generally required to support your expenses.

	Amount	Time	Place or Description	Business Purpose
Travel Expenses	Cost of each separate expense for travel, lodging and meals.	Dates you left and returned for each trip. Number of days spent on business	Destination or area of your travel	Purpose for the expense or the business benefit gained or expected to be gained
Vehicle Expenses	Cost of each separate expense. Vehicle expense: cost of the car and improvements. Mileage for each use and mileage for the year	Date of the expense. Vehicle: date of use of the car	Business destination	Business purpose for the expense
Gifts	Cost of the gift	Date of the gift	Description of the gift	**Business gifts limited to \$25**

Tax Documents for 2022

Please provide all tax documents received for 2022 to complete your tax return. The government does tie out all documents reported from 3rd parties to what is reported on the tax return. Even though Roth IRA and HSA distributions are not taxable, please bring your 1099-R and 1099-SA forms in as they still need to be reported on your 2022 tax returns. Bringing in all tax forms received may prevent IRS notices from being sent out.

***Disclaimer – Tax laws are constantly changing and are subject to interpretation. The facts and circumstances in your situation may not be the same as outlined here. Please contact us if you would like more information



We'd like to take this time to wish you all Happy Thanksgiving and a Merry Christmas! 🍷