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**Significant life changes.**

- Everyday changes can impact your tax situation. Please contact us if:
- You moved, had a baby, got married or divorced, started a new business, retired, etc. in 2023.
- Your child graduated from college. You may not be able to claim the child in 2023. Have you adjusted your federal and state withholding to account for this change?
- You changed jobs. Is your new employer withholding at the appropriate tax rate and you are contributing to retirement and H.S.A. plans through your employer without exceeding calendar year limitations?

Extended tax due dates.

- Many clients extended their tax returns this year. We ask that you send us your tax information as soon as possible, keeping in mind that we need time to summarize, prepare, process and print your extended tax returns and you need time to review, ask questions and sign before we e-file.
- Please review your tax organizer thoroughly to make sure you have all the information necessary.
- If you haven't already, please forward your signed letter of engagement and checklist.
- We know it's only June, but we are quickly running out of time. Extended business income tax returns are generally due September 15, 2023, and cannot be extended again.
- Personal income tax returns are due October 15, 2023, and cannot be extended again.

New contribution limits for Indiana 529 college savings plans.

- 20% of the first \$7,500 contributed to an Indiana 529 plan in 2023 is eligible for the annual Indiana tax credit. This is an increase from \$5,000 in 2022.
- The maximum credit you can receive in 2023 = \$1,500. That's a \$500 increase from last year!
- Please call us with any questions. We don't want you to miss out on this great college savings tool!

Six-month bookkeeping checkup.

- Review your balance sheet and profit and loss statements. Do the dollar amounts make sense?
- Have you reconciled your checking and savings accounts? Credit card balances? Loan balances?
- Have you purchased or sold any equipment this year? Are these recorded properly?
- Look through the accounts receivable and accounts payable listings to ensure accuracy.
- Are all new loans recorded?
- Need help? Please call. It's always better to have these items fixed sooner rather than later.

Health Savings Account (H.S.A.) eligibility when you reach 65.

- The H.S.A. contribution maximum for 2023 is \$3,850 for single person coverage. \$7,750 for family plans.
- Account owners that are 55 and older may make an additional \$1,000 "catch up contribution". If married spouses are both 55 and older and they have two separate "single coverage" H.S.A.'s – both H.S.A. accounts would qualify for the \$1,000 catch up contribution for a total of \$2,000 in catch up contributions.
- Contributions to the account owner's H.S.A. must stop once the account owner turns 65 and begins Medicare. Instead, contributions are prorated based on the number of months in 2023 before turning 65.
- Example – a self-covered individual turns 65 in August and begins Medicare. The individual may contribute for the first 7 months – January through July. The prorated maximum \$3,850 self + \$1,000 catch up = \$4,850 max * (7/12) = \$2,829 prorated maximum contribution in 2023.
- Once you turn 65, your H.S.A. funds can be withdrawn for non-medical items without the 20% penalty. Note that withdrawals used for non-medical items are included as federal and state taxable income. Withdrawals used for medical items are still considered nontaxable income.

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