

JMU TAX

&
Financial

Inside This Issue:

- Tax Law Changes
- Increase your refund
- 4 ways to prepare taxes with JMU
- Documents to bring with you
- Direct Deposit – Get your refund faster
- Locations and Staff
- More Tax Law Changes
- SEND A FRIEND GET \$50.
- SEND A BUSINESS GET \$100.
- Give JMU great reviews on Google

CHECK YOUR REFUND STATUS:

Go to the
JMU WEBSITE
WWW.JMUTAX.COM

Click on **Where's my Refund ?**

REFUNDS:
Do Direct Deposit.

Tax Preparation, Accounting, Payroll, Business Consulting and Financial Planning

"Give and you will receive. Your gift will return to you in full-pressed down, shaken together to make room for more, running over, and poured into your lap. The amount you give will determine the amount you get back." - Luke 6:38

January 21, 2022, Volume 30

"We Find Deductions Other People Miss!"

Tax Law Changes that can increase your refund.

This year several temporary expanded tax breaks can get you more money back.

More generous child and dependent care tax credit (CDCC)

If you spent money on care of a child under age 13, or another member of the family who are not physically or mentally able to care for themselves, you can get up to 50% of the expenses reimbursed (up from 35%). Percentage is less for incomes over \$125,000. This credit could reduce your tax bill or increase your refund by up to \$8,000 for one dependent and \$16,000 for two or more.

Advanced Child Tax Credit (ACTC)- Letter (notice) 6419 from the IRS

The American Rescue Plan increased the child tax credit to \$3,000 for families with kids 17 years old and under, with an extra \$600 for kids under age 6. *The really great thing is, the CTC is fully refundable for 2021. If you don't owe any taxes, you get the full amount refunded.* For the first time, IRS made advanced payments from July to December. Tax filers who earned more than expected may need to pay some of it back. The IRS will send you Letter 6419 to calculate how this amount.

Earned Income Credit (EITC)

For 2021, low and moderate income wage earners who do not have qualifying children may be eligible for a larger EITC than before. The maximum credit has been tripled to \$1,502. For the first time, this credit also for anyone as young as 19 and over 65 who do not have children. To qualify, your earned income for 2021 must be below \$21,430 (\$27,380 for married filing joint). For people who do have qualifying children if they earn \$57,414 or less, they may qualify for the EITC. They may get the maximum credit of \$6,728 depending how many kids they have.

Claim a Recovery Rebate Credit (Economic Stimulus)

If you received the third payment, the IRS will send you letter 6475 letting you know how much you were paid. This must be reported on your tax return. The good news is if you got a stimulus payment but your 2021 income would have disqualified you, you do not need to repay this payment since it's based on your 2019 and 2020 income.

Special charitable Tax Deduction

IRS is allowing those who take the standard deduction, to deduct up to \$300 in cash to qualifying charities and \$600 for married filing jointly.

Are Hand Sanitizers and Face Masks Deductible?

According to the IRS, Personal protection equipment (PPE) expenses, such as masks, sanitizing wipes and hand sanitizers, to be used for the purpose of preventing the spread of coronavirus, are considered deductible expenses. This includes you, your spouse and dependents. Keep in mind you can only deduct medical expenses that exceed 7.5% of your adjusted gross income. For example, if your AGI was \$50,000, you could deduct medical expenses that are above \$3,750.00.

Taxes have become more complicated during the pandemic. At JMU Tax, our Tax Accountants are prepared to help you understand the tax law changes and get you the maximum refund possible by finding every credit and deduction you are entitled to. There are many ways we can help you file with complete confidence:

- **In Person** – Call and make an appointment with our tax professionals
- **Virtual** – Make an appointment, email us your information for processing your return
- **Drop off** – You can drop off your documents and we will call you for completing your return
- **DRAKE PORTAL** – Make an appointment and ask for an invitation for a link to send us your documents through a secure portal.

Please have all your tax documents for your appointment:

Social Security Documents -:

- Social Security Cards,
- A Social Security Verification Letter for everyone on your return.
- Child's Birth Certificate matching parents name and SSN for Earned Income Credit
- **Birth Dates** – for everyone you include on your tax return
- **Copies of last year's federal and state returns**, if you're a new client
- **All records of Income** such as:
 - Forms W-2 and 1099,
 - Social Security,
 - Unemployment,
 - Pensions, Stocks and interest,
 - Any documents showing taxes withheld or money you made.
- **All Records of expenses** such as:
 - Tuition Receipts,
 - 1098 Mortgage interest or real estate tax receipts
 - Receipts or any documents to prove an expense you paid
 - Charitable Donations Receipts
 - Settlement Sheets for Real Estate
- **All information reporting forms** such as:
 - Form 1095-A, Health Insurance Marketplace Statement
 - Form 1095 –B Health coverage or Form 1095-C Employer provided Health Insurance Offer and Coverage
- **Dependent Childcare Information:**
 - Name and address of paid caretakers
 - Their Social Security Number or other tax identification number
- **LETTER 6419 – for Child Tax Credit. Please bring with you to file an accurate return and avoid delays.**
- **Any letters (notices) you receive from the IRS** - regarding Earned income credit, Additional child care credit (ACTC), and the American Opportunity Tax Credit (AOTC). For accurate filing and avoiding delays.
- **Valid Picture ID**
- **Your Bank Routing Number and Account Number** to Direct Deposit your refund. Fastest Way to Get your Refund.

Send a Friend, Get \$50.
Send a Business, Get \$100.

JMU Tax will give you \$50 for family and friends you refer to us who become our new clients and pay us at least \$250 in personal tax preparation fees. We will give you \$100 for a business client you refer who becomes a new client for taxes, accounting or payroll, and pays us \$500 or more for services. We thank you for your referrals and continued loyalty. Please give our staff **5 star** reviews on Google.

Our Nine Locations and Staff:

JMU Tax Franchises: Manassas, Centreville, Alexandria

MANASSAS

ZAHID MAHMOOD
Senior Tax Accountant
(703) 365-9384

TASNEEM BALUCH
Franchise Co-owner

JESSICA FLORES
Senior Tax Accountant
Spanish Speaking

CENTREVILLE

KIDIST SAHLU
Senior Tax Accountant
(703) 368-6194

The JMU Tax Franchises and the entire JMU Staff are the very best. Through regular in-house training and attendance of tax conference, we make sure that our staff is knowledgeable with all new tax laws changes. We will guide you through the changes and give you the best advice to plan for the future and help you get the most credits and deductions possible. If you're interested in joining JMU Tax, as a franchise owner or as a staff member, please call Mickey.

ALEXANDRIA

DANIEL HATEM
Tax Accountant
(703) 880-8811

WASHINGTON DC

SHAFIN HOSSAIN
Senior Tax Accountant
Over 10 Years with JMU Tax
Also in Silver Spring

SHAFIQUE KHAN
Tax Accountant

RAJESH KC
Payroll Coordinator

AHMAD SHAH
Tax Accountant

SILVER SPRING, MD

MARIAM TAHMASEBI
Senior Tax Accountant
Senior Payroll Coordinator

CARLOS CHALBAUD
Assistant Tax Accountant
Also in DC, Spanish Speaking

CHARLES ARONSON
Assistant Tax Accountant
Assistant Payroll Processor

ANNANDALE

NIRAJ ARYAL
Senior Tax Accountant
Over 10 years with JMU Tax
Enrolled Agent
Also in Sterling

ROCIO MUNOZ
Tax Accountant
Payroll Coordinator

NAMMAL FARYAD
Payroll Coordinator
Office Administrator

SAM KARKI
Administrative Assistant
Also in Sterling

STERLING

NIRAJ ARYAL
Also in Annandale

SAM KARKI
Also in Annandale

HERNDON

MARIAM SHAHZAD
Senior Tax Accountant
Over 10 years with JMU Tax
Enrolled Agent

GULBEEN SINGH
Tax Accountant
Accounting Coordinator

CALEB GOZE
Mickey's Assistant
Tax Accountant

GAINESVILLE

DARCY FARLEY
Senior Tax Accountant

MICKEY SOOD

Available in Annandale
and Herndon

More Tax Law Changes:

Did you sell your home or rental property in 2021? We can Help!

Sale of your home is not taxable as long as

1. You live in it and use it as your main home, two out of the last five years. And
2. You make a profit of less than \$250,000 if single and \$500,000 if married filing joint.

Special rules and taxes may apply if you don't qualify for the above rules.

We can help you reduce your tax bill. Bring the following documents with you:

- Settlement statement for the original cost of the home and any commissions paid
- Records or receipts for improvements or renovations made on the property
- Some examples of improvements include, finishing a basement, adding a deck, fixing the driveway.

Do you have money in a foreign bank account?

Any US Citizen with \$10,000 in a foreign bank account, must report it to the IRS on their tax return and the FBAR, the foreign bank account report.

Do you get the Additional Child Care Credit(CTC)?

Look at your bank statement to see if you received the direct deposit to find the amount you received for this credit. (If you didn't receive IRS Letter 6419). This credit for qualifying children is fully refundable, which means taxpayers can benefit from the credit even if they don't have EIC or don't own any income taxes.

Did you buy or sell bitcoin or any other crypto in 2021?

The IRS expects you to report your profits on the 2021 tax return. If you did buy and hold any crypto last year, you might not owe anything. Start planning and gathering your crypto transaction reports to simplify