

LINDEBERG & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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To Our Valued Clients-

As we wrap up 2021, we are informing you of income tax related updates, firm updates, and a reminder for year-end tax planning.

Income tax planning items

Charitable deductions

Unique to 2021, individuals who do not itemize their deductions can take an above-the-line charitable deduction of up to \$300 per taxpayer (\$600 if filing jointly). Such contributions must be made by cash/check/credit card to qualified charitable organizations. Additionally, taxpayers can claim a charitable deduction up to 100% of their adjusted gross income (AGI) for 2021.

Virtual currency/cryptocurrency

Virtual currency transactions are becoming common. There are many different types of virtual currencies, such as Bitcoin, Ethereum and non-fungible tokens (NFTs). The sale or exchange of virtual currencies, the use of such currencies to pay for goods or services, or holding such currencies as an investment, generally has tax impacts.

Advance Child Tax Credit Payments

For eligible taxpayers with dependents, payments were issued monthly beginning in July for half-year tax credit, paid in advance. You should receive a tax form from the IRS to reflect the amount of credit paid during 2021. That form is necessary to include in submitting your tax documents to us to prepare your 2021 tax return. Please note if you did not opt-out of these payments, they will impact your 2021 tax return because they are tax credits paid in advance.

Required Minimum Distributions (RMDs)

A friendly reminder that RMD rules are back in effect for those age 72 (or 70½ if you reached that age before January 1, 2020) and for those with inherited retirement accounts subjected to RMDs.

Looming potential tax legislation

With potential tax changes looming as Congress debates proposals in President Biden's "Build Back Better" agenda, there remains uncertainty in how this will impact taxpayers. While we will not plan around hypotheticals, we will react to tax legislation that does get passed. Stay tuned.

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Firm Update

Karen Otten retired in October after 9+ years with our firm. She planned this departure and gave us a 3-year notice. Her second-best parting gift was helping us hire a former colleague and her friend, Natalie Swartz, CPA. Natalie has 16 years of income tax experience and joined our firm in September.

Deadlines

Please note the dates below for receipt of your tax documents for filing by the initial due date.

- Partnerships and S-Corporations: February 1
- Individuals and C-Corporations: March 1

Extensions will be filed for information necessary to prepare your returns received after these dates. Extending is for additional time to file, not additional time to pay a tax liability. We will communicate with you on the need to make an extension payment on April 15.

Additionally, our new client onboarding period has passed. We are grateful for your referrals and please keep in mind our new client deadline is typically December 1.

What to do before the end of the year

Our motto is “No Surprises” but this only works with proper tax planning. The complexities of our current tax law no longer include easy calculations or quick answers. It is imperative to run the numbers and we have the tax planning software to do this. If you are considering year-end tax planning strategies, please contact us.

We look forward to preparing your 2021 tax returns and value your business.

Very truly yours,

LINDBERG & ASSOCIATES, P.C.

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