

# HUDSON POPE PLLC

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## Year End News

As we wrap up 2021, we would like to take this opportunity to wish all of you and yours a joyous holiday season. It has been our privilege to work with you this year and we thank each of you for your continued support and for allowing us to serve you.

As a reminder to our business clients, we need to furnish W-2's to employees and the Social Security Administration by January 31, 2022. We appreciate you furnishing us with the information as soon as possible.

Please note our office will be closed for Christmas December 23 - December 28, 2021, as well as January 3, 2022, for New Year's.

### REMINDERS:

Corporate Estimated Income Tax payments are due December 15, 2021.

Individual Estimated Income Tax payments are due January 18, 2022.

You may want to consider paying your North Carolina estimate by December 31, 2021.

Required Minimum Distributions (RMDs) must be taken by December 31, 2021.

### Year-End Payroll Reporting:

As a reminder to our business clients, you are required to furnish W-2's and 1099-NEC by January 31, 2022. E-file requirements also apply to most forms.

## Check on advance Child Tax Credit Payments

Families who received advance payments will need to compare the advance Child Tax Credit payments that they received in 2021 with the amount of the Child Tax Credit that they can properly claim on their 2021 tax return.

Taxpayers who received less than the amount for which they're eligible will claim a credit for the remaining amount of Child Tax Credit on their 2021 tax return. Taxpayers who received more than the amount for which they're eligible may need to repay some or all of the excess payment when they file.

In January 2022, the IRS will send Letter 6419 with the total amount of advance Child Tax Credit payments taxpayers received in 2021. **People should keep this and any other IRS letters about advance Child Tax Credit payments with their tax records.**

Eligible families who did not get monthly advance payments in 2021 can still get a lump-sum payment by claiming the Child Tax Credit when they file a 2021 federal income tax return next year. This includes families who don't normally need to file a return.

## Economic Impact Payments and claiming the Recovery Rebate Credit

Individuals who didn't qualify for the third Economic Impact Payment or did not receive the full amount may be eligible for the Recovery Rebate Credit based on their 2021 tax information. They'll need to file a 2021 tax return, even if they don't usually file, to claim the credit.

Individuals will also need the amount of their third Economic Impact Payment and any Plus-Up Payments received to calculate their correct 2021 Recovery Rebate Credit amount when they file their tax return. Ensuring they use the correct payment amounts will help them avoid a processing delay that may slow their refund.

In **early 2022**, the **IRS will send Letter 6475** that contains the total amount of the third Economic Impact Payment and any Plus-Up Payments received. **People should keep this and any other IRS letters about their stimulus payments with other tax records.** Individuals can also log in to their IRS.gov Online Account to securely access their Economic Impact Payment amounts.

### Gather and organize your Tax Records

As a reminder we are approaching the time of year to receive mail labeled "tax documents included". Please be sure to maintain all documents received in one location and provide to us at one time as much as possible.

Many of our clients receive tax organizers to help in gathering their information to complete their individual tax returns. If you do not receive an organizer and would like to or would prefer to receive your organizer by email, please let Wendy Reid know at [wendy.reid@hudsonpope.com](mailto:wendy.reid@hudsonpope.com)

Organized tax records make preparing a complete and accurate tax return easier. Following are the most common forms and information needed. All of these forms may not apply to you specifically.

- Forms W-2 from your employer(s)
- 1099-DIV Dividends and Distributions
- 1099-INT Interest Income
- 1099-K Payment Card and Third-Party Transactions
- 1099-MISC Miscellaneous Information
- 1099-R Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, etc.
- Other income documents and records of virtual currency transactions
- Form 1095-A, Health Insurance Marketplace Statement
- Letter 6419, 2021 Total Advance Child Tax Credit Payments
- Letter 6475, Your 2021 Economic Impact Payment
- Federal and State estimate amounts and dates paid.

### **REMEMBER:**

**Watch for your IRS PIN** – If you are a victim of IRS identity theft, you will be mailed a one-time use personal identification number (PIN) as added security. You should receive it via mail in December. Please save to provide to us as we will need this information to file your return.