

# Get Ready for taxes: What's new and what to consider when filing in 2023

**Reporting rules changed for Form 1099-K:** Taxpayers who received third party payments in 2022 for goods and services that exceeded \$600 should receive Form 1099-K, Payment Card and Third Party Network Transactions, by January 31, 2023.

Prior to 2022, Form 1099-K was issued for third party networks transactions only if the total number of transactions exceeded 200 for the year and the aggregate amount of these transactions exceeded \$20,000. The American Rescue Plan Act of 2021 [lowered the reporting threshold](#) for third party networks that process payments for those doing business.

*Now a single transaction exceeding \$600 can require the third party platform to issue a 1099-K.* Money received through third party payment networks from friends and relatives as personal gifts or reimbursements for personal expenses is not taxable.

There's no change to the taxability of income. All income, including part-time work, side jobs or the sale of goods is still taxable. Taxpayers must report all income on their tax return unless it's excluded by law, whether they receive a Form 1099-K, a [Form 1099-NEC, Nonemployee Compensation](#), or any other information return.

**Some tax credits return to 2019 levels.** This means that affected taxpayers will likely receive a **significantly smaller refund** compared with the previous tax year. Changes include amounts for the Child Tax Credit (CTC), Earned Income Tax Credit (EITC) and Child and Dependent Care Credit.

- Those who got \$3,600 per dependent in 2021 for the CTC will, if eligible, get \$2,000 for the 2022 tax year.
- For the EITC, eligible taxpayers with no children who received roughly \$1,500 in 2021 will now get \$500 in 2022.
- The Child and Dependent Care Credit returns to a maximum of \$2,100 in 2022 instead of \$8,000 in 2021.

**Credits for New Clean Vehicles Purchased in 2023 or After:** You may qualify for a credit up to \$7,500 under Internal Revenue Code Section 30D if you buy a new, qualified plug-in EV or fuel cell electric vehicle (FCV). The Inflation Reduction Act of 2022 changed the rules for this credit for vehicles purchased from 2023 to 2032.

To qualify, you must:

- Buy it for your own use, not for resale
- Use it primarily in the U.S.

In addition, your modified adjusted gross income (AGI) may not exceed:

- \$300,000 for married couples filing jointly
- \$225,000 for heads of households
- \$150,000 for all other filers
- Visit [index of qualified manufacturers and vehicles](#) to see which vehicles qualify

## Avoid refund delays and understand refund timing:

Many different factors can affect the timing of a refund after the IRS receives a return. Although the IRS issues most refunds in less than 21 days, the IRS cautions taxpayers not to rely on receiving a 2022 federal tax refund by a certain date, especially when making major purchases or paying bills. Some returns may require additional review and may take longer to process if IRS systems detect a possible error, the return is missing information or there is suspected identity theft or fraud. Also, the IRS cannot issue refunds for people claiming the EITC or Additional Child Tax Credit (ACTC) before mid-February. The law requires the IRS to hold the entire refund – not just the portion associated with EITC or ACTC.

**Identity Theft is a real concern:** I encourage you to submit your tax documents to me via the **Secure Portal** How it works: Shoot me an Email me when you are ready to send your tax documents to me. I will then email you an invite. Click on the link and create a password to login. **SAVE** this password in case you have to send me additional info later. Also, if you don't see the invite in your inbox, look for it in your *spam*. You can, of course just email your documents to me like before, but this is a much more secure way to get your sensitive documents to me.

**If your e-filed return is rejected because of a duplicate filing under your Social Security number, or if the IRS instructs you to do so, complete IRS [Form 14039, Identity Theft Affidavit](#) and call the IRS at [800-908-4490](#)**