



As we embark on a new year in 2024, we wanted to take a moment to express sincere appreciation for our clients. We recognize that our existence and growth are primarily driven by your unwavering support.

We are grateful for the trust and collaboration you have bestowed upon us. Our connection goes beyond a mere business relationship – you have become part of our extended family. Rest assured; we are committed to accompanying you on your journey to success.

Together, let us make this year one of triumph, not only for you but for us as well.



New 2024 IRS Adjustments

The Internal Revenue Service released new 2024 provisions to accommodate annual inflation.

Here are a few notable adjustments:

1. IRA and 401K Updates

There are significant changes to 2024 retirement contributions. The limits for 401(k), 403(b), and 457 plans increased to \$23,000. Individuals who are 50 years old or above will be able to contribute up to \$30,500. IRAs (both traditional and Roth) have a new contribution limit of \$7,000; individuals who are 50 years old or older will be able to contribute up to \$8,000.

The income phase-out range for taxpayers making contributions to a Roth IRA will affect deductions and eligibility. The adjustments aim to allow more individuals to benefit from these retirement savings options.

Furthermore, the SECURE 2.0 legislation introduces adjustments for annuity premiums and charitable distributions. These adjustments are designed to align with prevailing economic conditions and ensure that retirement plans remain adaptable to changing circumstances.

2. New Standard Deductions Affecting Next Year's Tax Filing

- For 2024, the standard deduction for married couples filing jointly, will see a new ceiling of \$29,200, a \$1,500 increase from 2023.
- Single taxpayers and married individuals filing separately will have a standard deduction of \$14,600, a \$750 increase from 2023.
- Heads of households will see their standard deduction increase to \$21,900, a \$1,100 jump from 2023.

3. Increased Alternative Minimum Tax (AMT)

The AMT exemption amount in 2024 is \$85,700, an increase from \$81,300 in 2023. It begins to phase out at \$609,350 for individual taxpayers and \$1,218,700 for married couples filing jointly.

4. Earned Income Tax Credits (EITC)

EITC new maximum is \$7,830 for qualifying taxpayers who have three or more children, an increase from \$7,430 from the previous year.

5. Health Savings Account (HSA)

The IRS has announced key adjustments for 2024, impacting Health Savings Accounts (HSAs). Here's a simplified breakdown:

Annual contributions adjusted for 2024

- Individual coverage: deduct up to \$4,150
- Family coverage: Limit raised to \$8,300.

To be able to contribute, you would need to have a 'high deductible health plan' defined by specific deductible and out-of-pocket expense criteria.

Revenue Procedure 2023-34 provides thorough information about these annual adjustments. By staying informed about these adjustments for the tax year 2024, you can make well-informed financial decisions, optimize your tax planning, and potentially maximize your tax savings. Consulting with a tax professional or utilizing reputable resources, such as the IRS website, can help you stay up to date with the latest tax changes.

Tax Alert: 2024 Penalties!

What Every Taxpayer Should Know

Tax season is upon us, and this year, the IRS (Internal Revenue Service) has updated its penalties for late tax returns. Here is what you need to know to stay on the right side of Uncle Sam and avoid unnecessary financial headaches.

Understanding IRS Penalties for 2024

Failure to File a Tax Return

- Late filing penalty: 5% of unpaid taxes per month (up to 25%).
- Minimum late-filing fee in 2024: \$510 or 100% of taxes owed, whichever is lower, if filed more than 60 days after the due date.

Failure to Pay

- Penalty for not paying taxes on time: Up to 25% of unpaid taxes.
- A monthly penalty of 0.5% of unpaid taxes if taxes remain unpaid.

Information Return

Late filing penalties:

- \$60 if up to 30 days late
- \$120 for 31 days late through August 1
- \$310 after Aug. 1 or for not filing at all
- Intentional disregard penalty: \$630

Accuracy-Related Penalty

- Substantial understatement penalty: 10% of the tax required to be shown on the return or \$5,000 (whichever is greater).
- Negligence or disregard penalty: 20% of the portion of the underpayment of the impacted tax.

Erroneous Claim for Refund or Credit Penalty

Penalty for claiming an unwarranted refund or credit: 20% of the excessive amount claimed.

What to Do If You Owe Back Taxes

Feeling overwhelmed by unpaid taxes?
You are not alone, and there are solutions:

1. File a Return

- Always file your tax return by the deadline.
- Pay as much as you can now to minimize interest and penalties.

2. Request a Short-Term Extension to Pay

- Apply for a short-term payment plan online if you owe less than \$100,000.
- If approved, you will have 180 days to pay in full.

3. Request an Installment Agreement

- If you owe less than \$50,000, you may qualify for a long-term payment plan (installment agreement).
- You will have 72 months to pay your tax debt.

4. Apply for an Offer in Compromise:

- If paying back taxes seems impossible, consider applying for an offer in compromise.
- If accepted, this allows you to settle your tax debt for less than the total amount owed.

If the situation feels complex, seeking professional advice is a wise move. Remember, taking control of your tax situation is possible, and options are available.

Source: 26 CFR 601.602: Tax forms and instructions. (irs.gov)

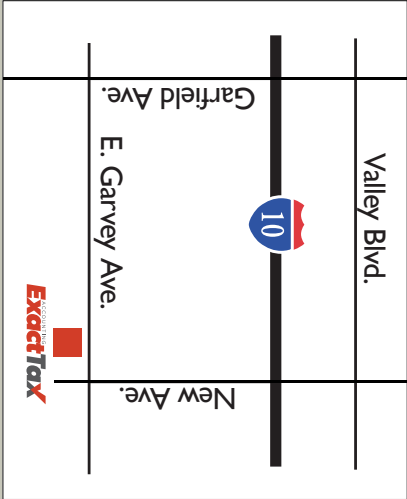
2024 Federal Tax Brackets

Tax Bracket / Rate	Single	Married Individuals Filing Jointly	Heads of Household
10%	\$0 - \$11,600	\$0 - \$23,200	\$0 - \$16,550
12%	\$11,600 - \$47,150	\$23,200 - \$94,300	\$16,550 - \$63,100
22%	\$47,150 - \$100,525	\$94,300 - \$201,050	\$63,100 - \$100,500
24%	\$100,525 - \$191,950	\$201,050 - \$383,900	\$100,500 - \$191,950
32%	\$191,950 - \$243,725	\$383,900 - \$487,450	\$191,950 - \$243,700
35%	\$243,725 - \$609,350	\$487,450 - \$731,200	\$243,700 - \$609,350
37%	\$609,350+	\$731,200+	\$609,350+

Source: Internal Revenue Service, "Revenue Procedure 2023-34."

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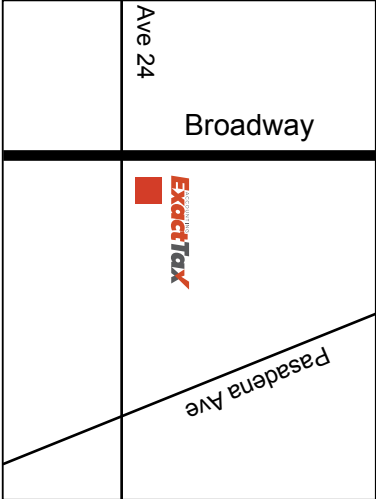


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We play hard.**



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WINTER 2024