
TAX BLAST

NEWS FOR THE TAX PROFESSIONAL

OCTOBER 2022

<https://www.nystap.org>

After an extended dormant state, we are coming back better than before.

- ❖ **Live meetings are back.**
- ❖ **Webinars from prominent speakers in the tax community.**
- ❖ **Tax letters to your clients.**
- ❖ **Annual Meeting in June**
- ❖ **Westchester live meetings have already begun.**
- ❖ **Meetings at Umberto's Restaurant in New Hyde Park will begin in November**
- ❖ **Tri State meeting in December**
- ❖ **Tax update meeting in December**
- ❖ **Timely taxing news**
- ❖ **Have a question call or e-mail your tax buddy**
- ❖ **Come to our meetings and make new friends**

New Sign in Options



The IRS transitioned all e-Services tools to a new sign-in system that requires new users to register or sign in with ID.me, the current IRS credential service provider.

Existing users do not need to take any action currently. E-Services users with an active IRS username may continue to sign in with their existing username and password.

The following AIR applications are impacted:

- User Interface (UI) ACA Assurance Testing System (AATS)
- User Interface (UI) Production System
- Automated Enrollment (AE) for ACA Providers

Users without an active IRS account, or an existing ID.me account, will need to register with ID.me to access AIR online applications.

The information within the applications will not change. For example, you will not need a new certificate, ACA Application for TCC, etc.

ID.me account holders can use their credentials across multiple IRS tools and at other government agencies.

Information regarding ID.me is also posted to the [Affordable Care Act Information Returns \(AIR\)](#) page on IRS.gov.

What is new for Enrolled Agents?

IRS Finalizes Increased EA Enrollment Fee

The IRS has finalized regulations that increase, to **\$140** from **\$67**, fees for **enrolled agent enrollment and renewal**.

An enrolled agent (EA) is an individual who has earned the privilege of representing taxpayers before the IRS either by (1) passing a three-part comprehensive IRS test (the SEE, or Special Enrollment Exam) covering individual and business tax returns and IRS procedure or (2) through experience as a former IRS employee.

To obtain EA status, individuals who pass the the exam must pay an enrollment fee, promise to adhere to ethical standards, and complete 72 hours of continuing-education courses and pay an enrollment renewal fee every three years.

The IRS originally proposed increasing the enrollment fee for enrolled agents in February 2022.

The renewal fees for **enrolled retirement plan agents** also increase to \$140

Get Ready for the Pass-Through Entity Tax for 2023

When to make the election

For PTET taxable years 2023 and later, the eligible entity may opt in on or after January 1 but no later than March 15.

The election to opt in to the PTET must be made online on an annual basis and is irrevocable after the due date of its first PTET `estimated payment.

What is new in New York City

NYC PTET ELECTION

Effective for tax years beginning on or after January 1, 2023, NYC will have an elective PTET election, like the NYS PTET, with some differences. This election is made by the due date of the first estimated payment.

The NYC PTET election is irrevocable and may be made by an “eligible city partnership” or an “eligible city *resident* S corporation.” An “eligible city partnership” is a partnership where at least one partner or member is a resident of NYC. An “eligible city resident S corporation” is any New York corporation with only city resident.



Teachers

Teachers will now be able to deduct up to \$300 of out-of-pocket classroom expenses in 2022, up from the \$250 that has been set since the incentive first started in 2002. "The limit will rise in \$50 increments in future years based on inflation adjustments," the IRS said. Eligible educators include K-12 teachers, principals, teachers' aides, or counselors who spend more than nine hundred hours at the school during the academic year. Public and private school educators can benefit. Eligible educators who are married to another eligible educator and file a joint tax return can deduct up to \$600 in qualifying expenses, but still no more than \$300 per spouse. Educators who do standard deductions also qualify. The limit is still \$250 for those who are filing their 2021 taxes.

Did you miss the Real Property Tax Credit in 2021

IT-229 Reminder

When reporting Real Estate taxes paid on Schedule A, line 5a, reduce any Real Estate taxes paid by the amount of the STAR credits received. On the New York state tax return this identical reduced Real Estate taxes paid amount would also be reported on Form IT-196, line 6 (your software will automatically transfer it over).

Now when you prepare the New York form IT-229, to determine real property taxes paid you need to use Part 3, Schedule B. In box B you must start with the total amount of real property taxes paid, not the reduced amount used on Schedule A and New York form IT-196. In box D you report the STAR credit received which is then deducted to determine qualified real property taxes paid, (QRPT). This reduced amount will now be used to determine if the taxpayer qualifies for the New York Real Property tax relief credit. The credit ranges from \$250 to \$350.

Refer to the instructions https://www.tax.ny.gov/pdf/current_forms/it/it229i.pdf

Did you know?

One spouse employed by another

If your spouse is your employee, not your partner, you must pay Social Security and Medicare taxes for him or her. The wages for the services of an individual who works for his or her spouse in a trade or business are subject to income tax withholding and Social Security and Medicare taxes, but not to FUTA tax.

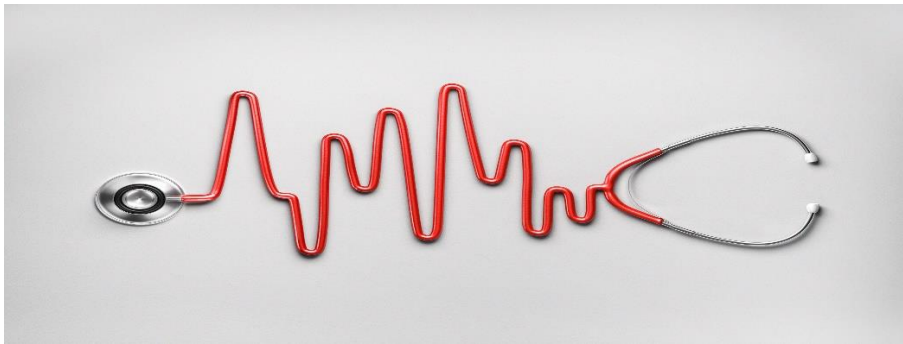
Quick guide for Tax Credit for Electric Vehicle's

The new credits include domestic content requirements that may take time for manufacturers to achieve. Other limitations include vehicle cost limits, purchaser income limits, and a requirement for Vehicle Identification Numbers on tax returns. Additionally, it does allow immediate benefit by transferring the credit to the dealer for a reduction in purchase price.

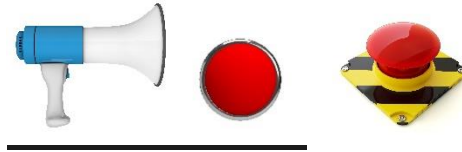
- Beginning on August 16, 2022, the vehicle must be assembled in North America
- A transition rule permits certain vehicles to be treated as being placed in service on August 15, 2022, even if placed in service after that date
- A website is available to determine where a particular vehicle was assembled
- An increasing percentage of the critical minerals in the battery must come from the US or a country with a Fair-Trade Agreement with the US
- An increasing percentage of the battery components must come from North America
- The maximum \$7,500 credit for a clean vehicle remains the same, but is split half for domestic content of critical minerals and half for domestic content of battery components
- The Manufacturers Suggested Retail Price cannot exceed \$80,000 for vans, SUVs, and pick-ups or \$55,000 for other vehicles
- The taxpayers modified adjusted gross income cannot exceed \$150,000 for single filers or \$300,000 for joint filers
- The taxpayer must include the Vehicle Identification Number on the tax return
- The previous limitation of 200,000 vehicles per manufacturer expires after 2022
- The taxpayer may make an election to transfer the credit to the dealer after 2023
- The new credit for previously owned vehicles is limited to \$4,000 or 30% of the sale price, also has sale price and income limits, must be purchased from a dealer, and has restrictions on frequency of use and age of vehicle
- The new business credit for commercial clean vehicles is 30% if not gas or diesel, otherwise 15%, and is limited to \$7,500 for lighter vehicles, and up to \$40,000 for heavier vehicles

- The alternative fuel vehicle refueling property credit has been extended for 2022 with significant new requirements imposed starting in 2023.

Get Well



On behalf of our membership, I would like to wish Bob Genovese good luck on his impending surgery. Bob is the guiding light of our organization and I hope he will be able to attend our yearend tax update meeting. All of us wish Bob a speedy and complete recovery.



Dear Colleagues and Friends,

An organization is as good as the participation of its members. We have the nucleus of a good organization, but we need more help. What do we need?

- 1) Seminar Committee determine which seminars topics and speakers our members would be interest in attending*
- 2) Recruitment Committee-Develop Strategies to recruit new members*
- 3) Communication committee-Forward information on new laws to our membership.*
- 4) Research committee Answer tax questions from our members*
- 5) Joining our committees is a great way to help improve our organization and you will make some wonderful friends in the process.*

Watch for notices for our November meeting at Umberto's Restaurant in new Hyde Park.

Regards,

Leonard E. Mandel

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