**TAX NEWS & TIPS**

**Editor’s Notes - Fall Issue 2022**

**Tax Advantages Available for Dependent College Students**

Education Credits…American Opportunity Credit up to $2,500 credit per student. Lifetime Learning Credit up to $2,000 per return. Taxpayer Modified Adjusted Gross Income (MAGI) limits apply.

Student Loan Interest up to $2,500 can be deducted for taxpayer, spouse, or dependents. Once again MAGI limits apply.

Savings Bonds Interest on Series EE and I bonds can become exempt from tax when used for college tuition for a dependent. Bond ownership and purchase rules apply as well as MAGI limitations.

**Tax Tips For You … Now!**

Retirement Plan Contributions to 401 (k), 403 (b) or 457 deferred compensation plans with $20,500 limit plus $6,500 for employees age 50 or older.

IRA Contributions limit $6,000 and additional $1,000 available to those 50 years old and older.

Contributions to a Dependent Care Benefit Plan allow up to $5,000 for individuals or married couples filing jointly or $2,500 for a married person filing separately.

Contributions to Health Savings Accounts are $3,650 for self-only plans and $7,300 for family coverage. Policy limitations apply.

Review stock and mutual fund portfolio to possibly offset gains with losses. Net loss of $3,000 available. 0% on capital gains also available subject to taxable income limits.

**Review Federal Tax Withholding…Again!**

Urging every taxpayer to review withholding taxes and using www.IRS.Gov Withholding Calculator.

**Myth vs Truth**

Change in charitable contributions for non-itemizing taxpayers

Change in credit amount and age for Child Tax Credit revert to pre-2021 limits

Contributions to an employer’s Dependent Care Plan Reverts to pre-2021 limit of $5,000

**Miscellaneous**

Standard mileage deduction increases from 58.5 cents per mile to 62.5 cents per mile effective July 1, 2022.

Extensions for 2021 Individual Returns expire October 17, 2022.

How long should tax records be kept?

Injured Spouse Relief

Alimony…Taxable? Deductible?



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*Unfortunately, we cannot be your primary tax information source. The information in the Newsletter is for your clients. We attempt to write on a level that will give the taxpayer a general sense of the topic to promote additional conversation on the specifics with you when they discuss the preparation of their tax returns.*

*If you have a topic that you would like included in a future issue of Tax News & Tips, please forward to rich@taxnewsandtips.com .*



**Rich DeLand**

*Editor*

**Upcoming Key Dates:**

Year End 2022 Issue

Subscriptions & Masthead Change Deadline: October 23

Newsletter Ship Date: November 21