

NEWS LETTER



ISSUE | 01

JANUARY |
2021



WELCOME TO 2022!

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Watch for your Engagement Letter

Your engagement letter will be arriving within the two weeks for you to review.

Once you review your letter, you will be able to sign and submit it digitally. Once we receive your signed engagement letter and deposit, we will open a Client Access portal for you to begin the process of uploading your initial documents. Our new Client Service team will be helping to guide you through this process.



Thank You...

We hope you and your loved ones stayed safe and healthy throughout the holiday season. We are excited to usher in a new tax season with you.

- Mary Beth Lougen

www.amexpattax.com
888-243-9992

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Have you had significant changes? We need to talk to you!

Book a free 20-minute chat with us so we can review your situation and give you a more up to date quote for next year's services as well as advice on next year's filing needs.

Possible changes from last year that may impact next year's tax filing including (but not limited to):

- Had a child
- Bought or sold a house
- Got married or divorced
- Started a business
- Had any significant expenditures (real estate, college tuition payments, etc.)
- Moved to a different country
- Exercised Stock Options
- Gifts to family members or others
- Large medical expenses

To make an appointment to book a quick phone call with us Click [Here](#) or call us at 888-243-9992.

Start gathering your documents now, you may have new information we may need due to numerous tax changes this year including information about:

- Economic Impact Payments (EIPs) (Letter 6475)
- Child Tax Credit (Letter 6419)
- Unemployment Compensation
- Information about Teleworking arrangements for those working virtually
- Virtual Currency or Cryptocurrency

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Tax Return Due Dates in 2022

April 18, 2022 - Personal federal tax returns (Form 1040) for persons residing in the US and Personal federal 1040 NR tax returns for non-resident aliens who received US wages.

June 15, 2022 - Personal federal tax returns (Form 1040) for US persons residing outside the US

June 15, 2022 - Personal federal tax returns (Form 1040-NR) for non-resident aliens who have US source income from other than US wages

October 17, 2022 - FinCEN 114- FBAR- is due

Important Tax Considerations based on new legislation:

During the past year the US Government has passed several tax incentives to help American families weather the financial difficulties caused during the COVID-19 pandemic.

Below you will find a list of changes that will potentially impact many of our clients. Please bear in mind that this is not an all-inclusive list. If you have any questions about tax changes you may have heard about that you are concerned may impact you please contact us at: info@amexpattax.com

At this time President Biden's Build Back Better Act has not passed into law. There are several tax changes inside the BBBA, which we will let you know about, if and when these become relevant to your 2021 or 2022 tax returns.

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Important Tax Considerations based on new legislation

Charitable Donation Deduction without Itemizing

Ordinarily, you must itemize deductions on your US tax return to benefit from donations to charities. For 2021, you can deduct up to \$600 USD of cash donations made to qualified US charities on a joint return or \$300 USD on all other returns. Donations to similar Canadian, Mexican or Israeli charities may be deductible under the applicable tax treaty.

Advanced Child Tax Credit Payments

In July 2021, the IRS began sending early payments of the Child Tax Credit out to families with young children. The payments are potentially \$250-\$300 USD per month per child. The Child Tax Credit has been increased for families residing at least 6 months of the year in the US from \$2000 USD per child to \$3600 for children under 6, and \$3000 USD for children ages 6-17. This credit is limited for high income families.

You must live in the United States for at least 6 months during the year to qualify for this extra money, if you are receiving the payment in error, you will need to pay back the money when you file your tax return. You should unenroll to stop the payments. If you are married, both spouses need to unenroll.

Increased Child Care Credit

Great news! Congress has finally increased the credit for child care expenses paid while you work to a maximum of \$8,000 USD for one child, \$16,000 USD for two or more children. The credit is also refundable for families who have lived in the US for at least 6 months during 2021. If your income is greater than \$438,000 USD, no credit will be allowed.

EIP (COVID) & Advanced Child Tax Credit Payment Letter

In January the IRS will be sending letters out showing the amount of COVID and Advanced Child Credit Payments you received. Be sure to put the letters somewhere safe- we will need it to prepare your taxes for 2021.

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Crypto Currency

Virtual currency transactions are becoming more common, and the IRS now requires that you tell them if you received, sold, exchanged, or otherwise disposed of any financial interest in any virtual currency during the tax year as part of your federal tax return. There are many different types of virtual currencies, such as Bitcoin, Ethereum and non-fungible tokens (NFTs). The sale or exchange of virtual currencies, the use of such currencies to pay for goods or services, or holding such currencies as an investment, generally has tax impacts. We can help you understand those consequences.

Do you need to file FBAR's or 3520/3520a forms this year?

As a thank you to our returning customers we wanted to offer an Early Bird discount for those needing to file a Report of Foreign Bank and Financial Accounts (FBAR) or any piece of the 3520 and 3520A filings. If you contract us to file these forms for you AND make sure all required documentation for those forms only is uploaded to your portal before 1/31/22 you will receive 10% off the preparation of these forms. If you're unable to get your documents to us before 1/31/22, you can still receive 5% off of the preparation of the forms if you send all needed documentation for us to prepare them for you by 2/28/22.

Didn't receive the third COVID Payment?

Just like last year, if you were entitled to the third Economic Impact Payment of \$1,400 but did not receive it, you will be able to claim a refundable credit (Recovery Rebate Credit) when we file your 2021 federal tax return. In January the IRS will be sending out a letter to each taxpayer showing the amount they received. Be sure to provide it to us along with your other tax documents.