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Warnings from the IRS Regarding Filing Your 2021 Tax Return

Understanding IRS Letters 6475 & 6419

The IRS is warning taxpayers not to file their returns until they've gathered all their documents.

While you might be eager to get your taxes done as soon as possible, there may be reason to wait. On February 1, the IRS sent out a new notice to taxpayers, warning them to not file their 2021 tax return before they're ready. The agency began accepting and processing returns on January 24, but most people have until April 18 to get theirs in. Some exceptions include taxpayers in Maine and Massachusetts who have a later deadline of April 19 to file their returns because of a holiday in those states. According to the IRS, you should wait and gather all the forms you need before trying to file your return.

"While taxpayers should not file late, they also should not file prematurely," the IRS warned. "People who file before they receive all the proper tax reporting documents risk making a mistake that may lead to processing delays."

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Understanding Your Letter 6475

The IRS began issuing Letter 6475, Economic Impact Payment (EIP) 3 End of Year, in January 2022. This letter helps EIP recipients determine if they're eligible to claim the Recovery Rebate Credit on their 2021 tax returns. This letter provides the total amount of the third Economic Impact Payment and any plus-up payments received for tax year 2021. For married individuals filing a joint return, each spouse will receive their own letter showing half of the total amount.

Letter 6475 **only** applies to the **third round** of EIP issued between March 2021 and December 2021. This includes "plus-up" payments.

Plus-up payments were additional EIP 3 payments the IRS sent to people who:

- Received a third Economic Impact Payment based on a 2019 tax return or information received from the Social Security Administration, Railroad Retirement Board or Veterans Administration, **and**
- Were eligible for an additional amount based on their 2020 tax return.

Most eligible people already received the full amount they are entitled to receive. Anyone who did not receive the full amount they are entitled to should review the payment information to determine whether they should claim the Recovery Rebate Credit for tax year 2021.

For example, parents of a child born in 2021 – or parents and guardians who added a new qualifying

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What Our Clients Say About Us

"Entire encounter is pleasant and professional. We always appreciate Marcia's help."

–PG

Warnings from the IRS Regarding Filing Your 2021 Tax Return
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There are two new letters from the IRS this year.

The IRS should be sending out two new letters this year that will help with filing your return: Letter 6419 and Letter 6475. (More on those letters in this newsletter.)

But these are not the only documents you will likely need to file your return.

Alongside the two new letters, there are a number of other forms the IRS said taxpayers should wait to receive before they file their 2021 tax return. This includes, but is not limited to, W-2 forms from employers, as well as 1099 forms from banks, issuing agencies, and other payers. "Organized tax records make preparing a complete and accurate tax return easier and may help taxpayers find overlooked deductions or credits," the IRS said.

These forms are meant to prevent you from including errors on your return. Errors, especially those concerning the child tax credit or stimulus payment, can result in processing delays for your return which will prevent you from getting your refund in a timely manner. "Taxpayers should review them carefully. If any of the information shown is inaccurate or not available, taxpayers should contact the payer right away for a correction or to ensure they have their current mailing or e-mail address," the IRS said.

You should be able to view your forms online.

According to the IRS, some important information might still be on its way to you. But if you want to go ahead and file even if you aren't sure you have all your documents, you can actually view them online. With your IRS Online Account, you can see the total amount of stimulus payments you were issued in the 2021 tax year, the total amount of advanced child tax credit payments, your adjusted gross income from your last tax return, the total of any estimated tax payments you made, and any refunds that were applied as credit.

Source: <https://bestlifeonline.com/irs-documents-filing-news/>

Please contact our office for more information.†



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dependent to their family in 2021 – did not receive a third-round Economic Impact Payment for that dependent and may be eligible to receive up to \$1,400 for the dependent by claiming the Recovery Rebate Credit.

Understanding Your Letter 6419

To help taxpayers reconcile and receive 2021 CTC, the IRS is sending Letter 6419, Advance Child Tax Credit Reconciliation (CTC) from late December 2021 through January 2022. Taxpayers should keep this, and any other IRS letters about advance CTC payments, with their tax records.

Letter 6419 includes:

- The total amount of 2021 advance CTC payments received and the number of qualifying children.

Families who received advance payments must:

- File a 2021 tax return.
- Compare the advance payments received in 2021 with the CTC amount that can be claimed for 2021. Those that received more than they are eligible for may need to repay the excess amount.

This letter contains helpful information for preparing tax returns. Taxpayers who received advance payments can also check amounts using the CTC Update Portal and Online Account on IRS.gov.

Eligible families who didn't receive advance child tax credit payments can claim the full amount of the child tax credit on their 2021 federal tax return. This includes families who don't normally need to file a tax return.

Source: <https://www.irs.gov/individuals/understanding-your-letter-6475>
<https://www.irs.gov/individuals/understanding-your-letter-6419>

Please contact our office for more information.†

“Nothing is impossible. The word itself says “I’m possible!”

~ Audrey Hepburn



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 to receive your newsletter
 by e-mail!