

# 2024 Tax Tips!



It's time to begin planning to file your 2023 federal income tax return whether you prepare your own return or use a professional. Eligible BBEDC residents can apply for **BBEDC's 2024 Tax Preparation Program** to receive a \$150 subsidy per return on your approved resident professional tax preparer's fee. Applications are available at [www.bbcdc.com](http://www.bbcdc.com), from your Community Liaison, or from the BBEDC offices in Dillingham. A list of the approved tax preparers is also available.

**The 2024 BBEDC Tax Preparation Program application period is January 1<sup>st</sup>, 2024 - April 30<sup>th</sup>, 2024.**

**Tuesday, April 15, 2024, is the deadline to file your IRS 2023 Federal Income Tax Return.**

**Check with your tax preparer or the IRS about dates for paying estimated taxes and for filing extensions.**

## Tax Tip 1: IRS Tax Tips

The IRS Maintains a webpage for general tax tips at: <https://www.irs.gov/newsroom/irs-tax-tips>. This website is updated regularly throughout the year with official tips from the IRS so be sure to check it out to stay up to date on this year's tax information!

## Tax Tip 2: Get Organized

Organize your records. Good organization may simplify preparation of your tax return, lower your preparation fee, and might provide info that will reduce your tax payment. There are plenty of other rewards so start early! **Ask your tax preparer for a checklist to help you in the process.**



## Tip 3: Keep your receipts

Bank or credit card statements do not suffice in the event of an examination though they are helpful in organizing your financial information. Keep receipts of any expenses you deduct. Write the business purpose on the back and put receipts in a manila envelope in case you need them later. Any assets you still own, like a vehicle or home, keep purchasing documents of those throughout their life.



## Tip 4: File your 1099

Any captain that paid crew shares to their crewmembers need to complete and furnish **Copy B** of a 1099-Misc or 1099-NEC to the crewmember by **January 31** and **Copy A** to the IRS by **February 28, 2024 (or March 31, 2024 if you file electronically)**. The IRS can assess a penalty for failing to issue a proper Form 1099 (including late or filing forms with errors). Note: You cannot print 1099 forms from the IRS website. Paper forms can be ordered directly from the IRS for free at: <https://www.irs.gov/businesses/online-ordering-for-information-returns-and-employer-returns>. BBEDC and your local BBEDC Community Liaisons will have limited quantities of 1099's available for residents. Contact your tax preparer if you have any questions.

## Tip 5: Fishermen's Retirement Plans

Fishermen can create a Simplified Employee Pension Plan (SEP) to put money away for retirement (up to 25% of each employee's pay) and lower their taxable income. An SEP is a retirement plan established by employers, including self-employed individuals. Ask your tax preparer to help you explore this option and be sure to let them know about any other retirement contributions you make.



## Tip 7: Lower your Income Tax

Lower your taxable income and save for retirement by contributing to your IRA or set up an IRA if you don't yet have one. For tax year 2023 you can contribute a maximum of \$6,500, or \$7,500 if you are over 50 years old, up until the tax deadline of April 15, 2024.

## Tip 8: Child Tax Credit

For the 2024 tax year, the child tax credit remains at up to \$2,000, but the refundable portion of the credit increases to \$1,700. This means eligible taxpayers could receive an additional \$100 per qualifying child back as a tax refund. It's important to note that income limits apply to these benefits.

## Tip 9: Donations

Both cash and non-cash charitable donations are tax deductible. The IRS will require bank records (bank statement, cancelled check, or credit card statement) from you and a written statement from the receiving organization for cash donations over \$250. Non-cash donations must be recorded via a receipt with the organization's name, the date and location of the contribution, and a description of the donation. Charitable donations must be itemized on a Schedule A. Ask your tax preparer for specific information on any donations you have made in 2023.

