

Tax day is April 15, 2024. Here's a list of 10 things to know before you file.

# 2024 Taxes: 10 Things to Know

The 2024 tax season for filing 2023 tax returns is upon us, and as you prepare, you'll need to be aware of several important changes from the IRS that can affect your filing. Tax day is April 15, 2024. That's the last day you can e-file or mail your tax returns without incurring penalties. As you begin your taxes, keep the following IRS tax filing changes in mind. Here's our list of 10 things to know before you file.

## 1. Gather Records Early

Prepping for 2024 tax deadlines means organizing records early. Whether your recordkeeping system is digital or paper, it's critical to keep tax-related documentation all in one place, including year-end income documents like the following:

- Forms W-2 from employers
- Forms 1099 from banks or other payers
- Forms 1099-K from third-party payment networks
- Forms 1099-NEC for nonemployee compensation
- Forms 1099-MISC for miscellaneous income
- Forms 1099-INT for interest paid
- Records documenting all digital asset transactions

Gathering records early and [starting your tax planning well before tax season begins](#) will increase the likelihood of filing an accurate return, meeting 2024 tax deadlines, and avoiding processing or refund delays.

## 2. Estimated Tax Payments

If you're self-employed or receive non-wage income from unemployment, annuities, or digital assets, you may need to make quarterly estimated or additional tax payments. The [IRS Tax Withholding Estimator](#) can help you gauge whether or not you may need to make an additional tax payment to avoid an unexpected tax bill when you file. The last quarterly payment for 2023 was due January 16.

### 3. New 1099-K Threshold

As part of its new phase-in for implementing the [\\$600 reporting threshold for distribution of 1099-Ks](#) under the American Rescue Plan (ARP), the IRS has listed a threshold of \$5,000 for the 2024 tax year. For 2023, 1099-K reporting will not be required unless an individual taxpayer receives over \$20,000 and has more than 200 transactions in the year.

The reporting threshold delays do not mean there is any change to the taxability of income. All income, including from part-time work, side jobs, or the sale of goods is still taxable, and taxpayers must report all income on their tax return even if they don't receive any Form 1099-Ks, Form 1099-NECs, or Form 1099-MISCs.

### 4. Digital Asset Reporting

If you sold [digital assets in 2023](#), it's important to remember that the IRS treats digital assets as property. That means the same tax principles that apply to property transactions apply to digital asset transactions. Be prepared to report digital asset activity on your tax return. As with property, digital assets may be subject to taxation (or deductions) if you experience income gain or loss as the result of an exchange of digital assets.

### 5. Beware of Scams

Thousands of taxpayers have lost millions of dollars as well as sensitive personal information to tax scams over the years. Scammers will use regular mail, telephone, and email to target not just individuals but also businesses and tax professionals. To avoid scams, remember that the IRS does not initiate contact with taxpayers by email, text messages, or social media to request personal or financial information. Read more about [current known scams targeting taxpayers and tax professionals](#) to ensure you don't become a victim.

### 6. Tax Exemptions, Deductions, and Credits

The IRS has added a number of new tax exemptions, deductions, and credits over the past two years. If you purchased an electric vehicle in 2023, you should review changes under the [Inflation Reduction Act of 2022](#) to see if it qualifies for EV tax credits for new [electric vehicles purchased in 2022 or before](#) or the credits for [new clean vehicles purchased in 2023 or after](#).

If you made any [energy efficiency improvements to your home](#), tax credits may be available for a portion of qualifying expenses. The Inflation Reduction Act of 2022 expanded credit amounts and types of qualifying expenses.

The [Child Tax Credit](#) offers another opportunity to reduce your tax burden. Anyone with a qualifying dependent under age 17 making less than \$200,000 annually for single filers or \$400,000 annually for joint filers can take the child tax credit of up to \$2,000 per qualifying child.

If you gave or received assets as gifts in 2023, they may be subject to the **annual gift tax exclusion** of up to \$17,000. Any gifts over this amount require a gift tax return to be filed. The annual gift tax exclusion for 2024 increases to \$18,000. Keep in mind that any assets you gift over the annual exclusion will apply toward your lifetime estate tax exclusion of \$12.92 million for individuals in 2023.

## 7. File Electronically

Filing your taxes electronically is a good way to ensure faster access to a refund if you're owed one. And there are **a variety of ways to e-file your taxes**, whether through the IRS website, a tax return preparation site, commercial tax software provider, or through an accountant who can e-file for you.

## 8. IRS Free File

You may also be **eligible for free e-filing of your taxes if you meet certain IRS guidelines**, including having an adjusted gross income of \$79,000 or less in 2023.

## 9. Direct Deposit for Refunds

The IRS issues most refunds in less than 21 days, but some returns may take longer to review or process, particularly if the IRS detects errors or missing information on a tax return. If the IRS owes you a refund, the fastest way to obtain it is by filing electronically and choosing **direct deposit** for your tax refund. Direct deposit will provide you access to your refund faster than a paper check.

You may also be able to receive tax refunds on prepaid debit cards or mobile apps if they have routing and account numbers associated with them that you can enter on your tax return.

## 10. Get Help if Needed

While readily available tax software can ease the challenges of filing your own taxes, you may want to consider IRS tax filing help in 2024 from a tax professional, particularly if you have substantial financial assets to manage, capital gains, large gifts, or other potentially complex tax scenarios. While KAR does not provide tax preparation services, our wealth advisory team is here to coordinate with your tax professional and help with **wealth management services that may reduce tax liabilities**. If you're ready to protect and grow your wealth by integrating tax planning into all your important financial decisions, **contact us** today.

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