

Tax Year 2022

Key Changes for Individuals and Businesses

Here is a checklist of tax changes to help you plan the year ahead.

INDIVIDUALS

In 2022, a number of tax provisions are affected by inflation adjustments, including Health Savings Accounts, retirement contribution limits, and the foreign earned income exclusion. The tax rate structure, which ranges from 10 to 37 percent, remains similar to 2021; however, the tax-bracket thresholds increase for each filing status. Standard deductions also rise, and as a reminder, personal exemptions have been eliminated through tax year 2025.

STANDARD DEDUCTION. The standard deduction increases to \$12,950 for individuals (up from \$12,550 in 2021) and to \$25,900 for married couples (up from \$25,100 in 2021).

ALTERNATIVE MINIMUM TAX (AMT). In 2022, AMT exemption amounts increase to \$75,900 for individuals (up from \$73,600 in 2021) and \$118,100 for married couples filing jointly (up from \$114,600 in 2021). Also, the phaseout threshold increases to \$539,900 (\$1,079,800 for married filing jointly). Both the exemption and threshold amounts are indexed annually for inflation.

“KIDDIE TAX”. For taxable years beginning in 2022, the amount that can be used to reduce the net unearned income reported on the child’s return that is subject to the “kiddie tax” is \$1,150. The same \$1,150 amount is used to determine whether a parent may elect to include a child’s gross income in the parent’s gross income and to calculate the “kiddie tax.” For example, one of the requirements for the parental election is that a child’s gross income for 2022 must be more than \$1,150 but less than \$11,500.

HEALTH SAVINGS ACCOUNT (HSA). Contributions to a Health Savings Account (HSA) are used to pay the account



owner’s current or future medical expenses, their spouse, and any qualified dependent. Medical expenses must not be reimbursable by insurance or other sources and do not qualify for the medical expense deduction on a federal income tax return. A qualified individual must be covered by a High Deductible Health Plan (HDHP) and not be covered by other health insurance with the exception of insurance for accidents, disability, dental care, vision care, or long-term care.

For calendar year 2022, a qualifying HDHP must have a deductible of at least \$1,400 for self-only coverage or \$2,800 for family coverage and must limit annual out-of-pocket expenses of the beneficiary to \$7,050 for self-only coverage and \$14,100 for family coverage.

MEDICAL SAVINGS ACCOUNT (MSA). There are two types of Medical Savings Accounts (MSAs): The Archer MSA created to help self-employed individuals and employees of certain small employers, and the Medicare Advantage MSA, which is also an Archer MSA, and is designated by Medicare to be used solely to

• continued on page 4

Benefits and Services	2	Reconciling the Advance Child Tax Credit	9
Prepare for Filing Your 2021 Tax Return	4	No-Load Mutual Funds	11
T. Rowe Price Investment	7	What is Digital Real Estate?	13
Financial Hotline	8	Economic Outlook	15

Benefits and Services

IAS FINANCIAL EDUCATION

You must be an active, dues-paid member to qualify for these exclusive services. All times listed are Eastern Time.

FINANCIAL HOTLINE

1-800-654-6023

Unlimited access to call, fax or e-mail our Financial Experts. We provide personalized, unbiased advice in all areas of Personal Finance including Small Business, Estate or Retirement Planning, Income Taxes, Real Estate, College Funding, Insurance, Investing, Consumer Spending, Debt and Credit, and more. Hours are Mon - Fri 9 a.m. to 5 p.m. Fax questions to 1-407-253-4148 or e-mail us 24/7 at ias@iasfinancial.com.

STOCK & MUTUAL FUND HOTLINE

1-888-878-0001

In today's up and down market, we take the guesswork out of investing. Hours: Monday through Friday 9 a.m. to 5 p.m. Services provided by Royal Palm Investment Advisors, Inc., our recommended investment advisor.

LIFE INSURANCE HOTLINE

1-800-897-2671 • 888.533.9019

One-stop comparison shopping for competitive rates on term life and disability insurance by companies rated "A" to "A++" by A.M. Best. Hours are 9 a.m. - 5 p.m. Monday-Friday or visit www.telalife.com. Email bdillon@telalife.com

AUTO & PROPERTY INSURANCE HOTLINE

1-800-966-2155

Competitive rates in most states on automobile, homeowner's, business liability, medical insurance and umbrella policies. Monday through Friday 9 a.m. to 5 p.m., ask for Craig Novak.

INVESTMENT HOTLINE

1-800-697-2662

Investment Hotline, managed by Trivison & Associates, advises on structured products, fixed index annuities, bonds, mutual funds and alternative investment strategies. Securities and Advisory services offered through LPL Financial, a Registered Investment Advisor. Member FINRA/SIPC. Other entities listed are not affiliated with Trivison & Associates or LPL Financial.

TAX HOTLINE

1-800-654-6023

The Tax Institute provides a free Tax Organizer, a two-year tax review, free 1040 prep, Tax Hotline and professional tax services.

Member Services

1-800-287-6584

Call Monday through Friday 9 a.m. to 5 p.m. for questions concerning your membership, special events or products, change of address, account information, and to renew or reactivate your membership.

IAS On-Line

Visit iasfinancial.com and click on "Members" to login and access the Members Only resources. Your User and Password are located on the back page of this issue of Success InSight.

Don't miss these FREE Member Benefits!

- Extensive 2 Year Tax Review
- Personal Portfolio Review
- IAS Tax Organizer
- Small Business Resources
- Form 1040 Tax Prep
- IAS Estate Planner

Success InSight ©2021 International Administrative Services, Inc. Published by IAS/The Charles J. Givens Organization (CJGO), P.O. Box 915109 Longwood, FL 32791-5109. "Success InSight" is a registered trademark of International Administrative Services, Inc. \$35 of the annual Organization membership dues are allocated for Success InSight magazine.

Non-member, yearly subscription is available for \$145.

Call 1-800-287-6584.

The information contained in Success InSight has been carefully compiled from sources believed to be reliable, but its accuracy is not guaranteed. This publication is designed to provide accurate and authoritative information in regard to subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service.

If legal advice or expert assistance is required, the services of a competent professional person should be sought.

PUBLISHER: David W. Phillips
EDITOR: Wanda Phillips
DESIGN & LAYOUT: VJ Publications

YOUR MEMBERSHIP IS **MORE** THAN A MAGAZINE!

**IAS MEMBERSHIP PROVIDES FULL ACCESS TO OUR HOTLINE NETWORK
AND PERSONALIZED FINANCIAL SERVICES**

- ✓ **Expert Financial Advice (Phone)**
Business Hours: Mon – Fri / 9 AM – 5 PM EST
- ✓ **Success InSight Magazines**
Mailed quarterly; can also be accessed online
- ✓ **Extensive 2-year Tax Review**
Tax Hotline (800-654-6023)
- ✓ **Investment Portfolio Review**
Stock & Mutual Fund Hotline (888-878-0001)
- ✓ **Debt Reduction Help**
Financial Hotline (800-654-6023)
- ✓ **Small Business Start-up Resources**
Financial Hotline (800-654-6023)
- ✓ **Life Insurance Clearinghouse**
Life Insurance Hotline (800-897-2671)
- ✓ **College-Funding Advice**
Financial Hotline (800-654-6023)
- ✓ **IAS Tax Organizer**
View & Print Online in Members Area
- ✓ **Expert Financial Advice (Email)**
Email us at ias@iasfinancial.com
- ✓ **Online Members Area**
Username and password located on back of SI Magazine
- ✓ **Form 1040 Tax Prep (\$50 Value – FREE!)**
Tax Hotline (800-654-6023)
- ✓ **The Best Retirement Plan**
Stock & Mutual Fund Hotline (888-878-0001)
- ✓ **Credit Management Help**
Financial Hotline (800-654-6023)
- ✓ **Car-Buying Made Cheaper**
Financial Hotline (800-654-6023)
- ✓ **Auto & Property Insurance Clearinghouse**
Auto & Property Insurance Hotline (800-966-2155)
- ✓ **Sample Real Estate Forms**
View & Print Online in Members Area
- ✓ **IAS Financial Planner**
View & Print Online in Members Area (iasfinancial.com)



FOR MORE INFORMATION CALL: **800-287-6584**
www.iasfinancial.com

Key Changes • *continued from page 1*

pay the qualified medical expenses of the account holder. To be eligible for a Medicare Advantage MSA, you must be enrolled in Medicare. Both MSAs require that you are enrolled in a high-deductible health plan (HDHP).

 **SELF-ONLY COVERAGE.** For taxable years beginning in 2022, the term “high deductible health plan” for self-only coverage means a health plan that has an annual deductible that is not less than \$2,450 and not more than \$3,700, and under which the annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed \$4,950.

 **FAMILY COVERAGE.** For taxable years beginning in 2022, the term “high deductible health plan” means, for family coverage, a health plan that has an annual deductible that is not less than \$4,950 and not more than \$7,400, and under which the annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed \$9,050

 **AGI LIMIT FOR DEDUCTIBLE MEDICAL EXPENSES.** In 2022, the deduction threshold for deductible medical expenses is 7.5 percent of adjusted gross income (AGI), made permanent by the Consolidated Appropriations Act, 2021.

Eligible Long-Term Care Premiums for long-term care are treated the same as health care premiums and are deductible on your taxes subject to certain limitations. For individuals age 40 or younger at the end of 2022, the limitation is \$450.

Persons more than 40 but not more than 50 can deduct \$880. Those more than 50 but not more than 60 can deduct \$1,690, while individuals more than 60 but not more than 70 can deduct \$4,510. The maximum deduction is \$5,640 and applies to anyone more than 70 years of age.

 **MEDICARE TAXES.** The additional 0.9 percent Medicare tax on wages above \$200,000 for individuals (\$250,000 married filing jointly) remains in effect for 2022, as does the Medicare tax of 3.8 percent on investment (unearned) income for single taxpayers with modified adjusted gross income (AGI) more than \$200,000 (\$250,000 joint filers). Investment income includes dividends, interest, rents, royalties, gains from the disposition of property, and certain passive activity income. Estates, trusts, and self-employed individuals are all liable for the tax.

The Foreign Earned Income Exclusion amount for 2022 is \$112,000 up from \$108,700 in 2021.

 **LONG-TERM CAPITAL GAINS AND DIVIDENDS.** In 2022, tax rates on capital gains and dividends remain the same as 2021 rates (0%, 15%, and a top rate of 20%); however, threshold amounts have increased: the maximum zero percent rate amounts are \$41,675 for individuals and \$83,350 for married filing jointly. For an individual taxpayer whose income is at or above \$459,750 (\$517,200 married filing jointly), the rate for both capital gains and dividends is capped at 20 percent. All other taxpayers fall into the 15 percent rate amount (i.e., above \$41,675 and below \$459,750 for single filers).

 **ESTATE AND GIFT TAXES.** For an estate of any decedent during calendar year 2022, the basic exclusion amount is \$12.06

Prepare for Filing Your 2021 Tax Return

Deadline - April 18, 2022

Still time to contribute to a retirement account. You have until April 18, 2022 to maximize your contributions to a traditional IRA or Roth IRA. If you have a Keogh or a SEP and get a filing extension until October 17, 2022 you have until that deadline to make contributions. The maximum contribution to a traditional IRA is \$6000 or \$7000 if you were age 50 or older in 2021. The maximum for SEP and Keough accounts is \$58,000.

To qualify for the full IRA deduction, you must be ineligible for participation in a company retirement plan or if eligible, have adjusted gross income of \$66,000 or less for singles or \$105,000 for married couples filing jointly. If you are not eligible for a company plan but your spouse

is, you can still deduct your traditional IRA contribution if your combined income does not exceed \$198,000.

Did you fail to make your full estimated tax payment?

Individuals who receive a substantial amount of non-wage income like self-employment income, investment income, taxable Social Security benefits, and in some instances, pension and annuity income should make quarterly estimated tax payments. The last payment for 2021 was due on January 18, 2022. You can use Form 2210, Underpayment of Estimated Tax by Individuals, Estates, and Trusts to see if you owe a penalty for underpaying your estimated tax. The law allows the IRS to waive the penalty if:

You didn't make a required payment because of a casualty event, disaster, or other unusual circumstance and it would be inequitable to impose the penalty, or you retired (after reaching age 62) or became disabled during the tax year or in the preceding tax year for which you should have made estimated payments, and the

million, indexed for inflation (up from \$11.70 million in 2021). The maximum tax rate remains at 40 percent. The annual exclusion for gifts increases to \$16,000.



KEY CREDITS. In 2022, a nonrefundable (only those individuals with tax liability will benefit) credit of up to \$14,890 is available for qualified adoption expenses for each eligible child.

The Earned Income Tax Credit for tax year 2022, for low, and moderate-income workers and working families increases to \$6,935 (up from \$6,728 in 2021). The credit varies by family size, filing status, and other factors, with the maximum credit going to joint filers with three or more qualifying children.

The Child Tax Credit for tax years 2018 through 2025, is \$2,000 per child. The refundable portion of the credit is \$1,500 in 2022 so that even if taxpayers do not owe any tax, they can still claim the credit. A \$500 nonrefundable credit is also available for dependents who do not qualify for the Child Tax Credit (e.g., dependents age 17 and older).

The Child and Dependent Care Tax Credit also remained under tax reform. If you pay someone to take care of your dependent (defined as being under the age of 13 at the end of the tax year or incapable of self-care) to work or look for work, you may qualify for a credit of up to \$1,050 or 35 percent of \$3,000 of eligible expenses in 2022. For two or more qualifying dependents, you can claim up to 35 percent of \$6,000 (or \$2,100) of eligible expenses. For higher-income earners, the credit percentage is reduced, but not below 20 percent, regardless of the amount of adjusted gross income. This tax credit is nonrefundable.

underpayment was due to reasonable cause and not willful neglect.

Gather and Organize Tax Records. Organized tax records make preparing a complete and accurate tax return easier. They help avoid errors that lead to processing delays that slow refunds. Having all needed documents on hand before taxpayers prepare their return helps them file it completely and accurately. Important tax records you need to file a return include:

- Forms W-2 from employers
- Forms 1099 from banks, issuing agencies, and other payers, including unemployment compensation, dividends, distributions from a pension, annuity, or retirement plan
- Form 1099-K, 1099-MISC, W-2, or other income statements for workers in the gig economy
- Form 1099-INT for interest received
- Other income documents and records of virtual currency transactions

For 2022, the American Opportunity Tax Credit and Lifetime Learning Credit is \$2,500 per student. The Lifetime Learning Credit remains at \$2,000 per return. To claim the full credit for either, your modified adjusted gross income (MAGI) must be \$80,000 or less (\$160,000 or less for married filing jointly). While the phaseout limits for Lifetime Learning Credit increased, taxpayers should note that the qualified tuition and expenses deduction was repealed starting in 2021.



INTEREST ON EDUCATIONAL LOANS. In 2022, the maximum deduction for interest paid on student loans is \$2,500. The deduction begins to be phased out for higher-income taxpayers with modified adjusted gross income of more than \$70,000 (\$140,000 for joint filers) and is completely eliminated for taxpayers with modified adjusted gross income of \$85,000 (\$170,000 joint filers).



RETIREMENT CONTRIBUTION LIMITS. The elective deferral (contribution) limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan remains at \$20,500. Contribution limits for SIMPLE plans also remain at \$14,000. The maximum compensation used to determine contributions increases to \$305,000 (up from \$290,000 in 2021).

The deduction for taxpayers making contributions to a traditional IRA is phased out for singles and heads of household who are covered by an employer-sponsored retirement plan and have modified AGI between \$68,000 and \$78,000.

For married couples filing jointly, in which the spouse who

• *continued on next page 6*

You should also gather and review any supporting documents from these types of earnings such as paystubs, financial statements and purchase receipts to make sure the forms you received reflect the correct amounts. For tax purposes, be sure to keep all these documents for at least three years.

Also, be sure to have your previous two years tax returns on hand for important information. All these documents will help you determine if you are eligible for deductions or credits. For example, people who need to reconcile their advance payments of the child tax credit and premium tax credit will need their related 2021 information. Those who did not receive their full third Economic Impact Payments will need their third payment amounts to figure and claim the 2021 recovery rebate credit.

You should also keep end of year documents such as:

- Letter 6419, 2021 Total Advance Child Tax Credit Payments, to reconcile advance child tax credit payments

• *continued on next page 9*

Key Changes • *continued from page 5*

makes the IRA contribution is covered by an employer-sponsored retirement plan, the phase-out range increases to \$109,000 and \$129,000. For an IRA contributor who is not covered by an employer-sponsored retirement plan and is married to someone who is covered, the deduction is phased out if the couple's modified AGI is between \$204,000 and \$214,000.

The modified AGI phase-out range for taxpayers making contributions to a Roth IRA is \$129,000 to \$144,000 for singles and heads of household, up from \$125,000 to \$140,000. For married couples filing jointly, the income phase-out range is \$204,000 to \$214,000, up from \$198,000 to \$208,000. The phase-out range for a married individual filing a separate return who makes contributions to a Roth IRA is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000.

In 2022, the AGI limit for the Saver's Credit (also known as the Retirement Savings Contribution Credit) for low and moderate-income workers is \$68,000 for married couples filing jointly, up from \$66,000 in 2021; \$51,000 for heads of household, up from \$49,500 in 2021; and \$34,000 for singles and married individuals filing separately, up from \$33,000 in 2021.

BUSINESSES

Standard Mileage Rates. In 2022, the rate for business miles driven is 58.5 cents per mile, up 2.5 cents from the rate for 2021.

SECTION 179 EXPENSING. In 2022, the Section 179 expense deduction increases to a maximum deduction of \$1,080,000 of the first \$2,700,000 of qualifying equipment placed in service during the current tax year. This amount is indexed to inflation for tax years after 2018. The deduction was enhanced under the TCJA to include improvements to nonresidential qualified real property such as roofs, fire protection, and alarm systems and security systems, and heating, ventilation, and air-conditioning systems. Also, of note is that costs associated with the purchase of any sport utility vehicle, treated as a Section 179 expense, cannot exceed \$27,000.

BONUS DEPRECIATION. Businesses are allowed to immediately deduct 100% of the cost of eligible property placed in service after September 27, 2017, and before January 1, 2023, after which it will be phased downward over a four-year period: 80% in 2023, 60% in 2024, 40% in 2025, 20% in 2026, and 0% in 2027 and years beyond.

QUALIFIED BUSINESS INCOME DEDUCTION. Eligible taxpayers are able to deduct up to 20 percent of certain business income from qualified domestic businesses, as well as certain dividends. To qualify for the deduction business income must not exceed a certain dollar amount. In 2022, these threshold amounts are \$170,050 for single and head of household filers and \$340,100 for married taxpayers filing joint returns.

RESEARCH & DEVELOPMENT TAX CREDIT. Starting in 2018, businesses with less than \$50 million in gross receipts can use this credit to offset alternative minimum tax. Certain start-up businesses that might not have any income tax liability will be able to offset payroll taxes with the credit as well.

WORK OPPORTUNITY TAX CREDIT (WOTC). Extended through 2025 (The Consolidated Appropriations Act, 2021), the Work Opportunity Tax Credit is available for employers who hire long-term unemployed individuals (unemployed for 27 weeks or more) and is generally equal to 40 percent of the first \$6,000 of wages paid to a new hire.

Employee Health Insurance Expenses. For taxable years beginning in 2022, the dollar amount of average wages is \$28,700 (\$27,800 in 2021). This amount is used for limiting the small employer health insurance credit and for determining who is an eligible small employer for purposes of the credit.

BUSINESS MEALS AND ENTERTAINMENT EXPENSES. Taxpayers who incur food and beverage expenses associated with operating a trade or business are able to deduct 100 percent (50 percent for tax years 2018-2020) of these expenses for tax years 2021 and 2022 (The Consolidated Appropriations Act, 2021) as long as the meal is provided by a restaurant.

EMPLOYER-PROVIDED TRANSPORTATION FRINGE BENEFITS. If you provide transportation fringe benefits to your employees in 2022, the maximum monthly limitation for transportation in a commuter highway vehicle as well as any transit pass is \$280. The monthly limitation for qualified parking is \$280.

While this checklist outlines important tax changes for 2022, additional changes in tax law are likely to arise during the year ahead. Don't hesitate to call if you have any questions or want to get a head start on tax planning for the year ahead.

Neuberger Berman Large Cap Value Fund (NPRTX)

There are always many items that can influence the mood and direction of the market. Currently, it seems reasonable to conclude that the primary drivers and focus of investors is the current level of inflation, and the more hawkish tone coming from the Federal Reserve Board (the Fed). After maintaining the opinion for most of last year that inflation was going to be transitory, the Fed recognized that their initial opinion was off the mark, and late last year issued a statement indicating so, acknowledging that inflation was more stubborn than initially thought.

The Fed's primary tool to tame inflation is to raise short term interest rates. Based on the Fed's latest statements, the market now believes that the Fed is likely to raise rates several times in 2022, with additional hikes possibly to come in 2023.

The level and direction of interest rates is a key variable in much of the modeling done by stock market analysts in an effort to create price targets for individual stocks and the market overall. In short, higher interest rates discount the value of future earnings more heavily than lower rates. The expectation that rates will increase this year and perhaps next creates an environment in which relatively richly valued "Growth" stocks can fall out of vogue in favor of companies that perhaps don't have the same type of strong consistent growth, but that investors feel represent a better "Value". This is the often talked about rotation from Growth to Value that

you may be seeing/hearing from the financial press.

As its name implies, the Neuberger Berman Large Cap Value fund invests primarily in stocks that fit the Value profile. As opposed to a Growth stock fund whose largest holdings may include companies such as Apple, Amazon, Microsoft and Google, amongst the largest holdings in this fund are Procter & Gamble, JP Morgan Chase, General Electric, Bank of America and Pfizer. With an enviable long-term track record and a vastly experienced management team, this fund deserves consideration regardless of the current mood of the market. Given that we're currently in an environment that tends to favor the type of stocks this fund owns, it may be worth a closer look to see how this may play a role in your portfolio.

If you'd like to discuss this further, or would like a portfolio review to determine if this fund might be appropriate for your portfolio, please call Ted Black, CFP® at 888-878-0001, extension 3.

Ted Black, CFP®
888-878-0001, extension 3
Advisory services offered through
Royal Palm Investment Advisors, Inc.,
a Registered Investment Advisor.



Performance annualized and updated through 12/31/2021: 1-Year: +28.12%; 3-Year: +22.04%; 5-Year: +15.35%. The gross annual expense ratio is 0.79%.

Statistics and information provided by Morningstar and Neuberger Berman. Please visit the Neuberger Berman website at www.nb.com/en/global/home for the most recent performance information. The principal value and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

Returns shown, unless otherwise indicated, are total returns, including any capital gains or losses and all dividend and capital gains distributions.

The performance data quoted represents past performance and in no way guarantees future results. Mutual funds are not FDIC insured.

Mutual funds are sold by prospectus. An investor should consider the investment objectives, risks, charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. Please go to www.nb.com/en/global/home or contact our office at 888-878-0001 to obtain a prospectus. Please read the prospectus carefully before you invest or send money. Advisory services offered through Royal Palm Investment Advisors, Inc., a Registered Investment Advisor.

From the Financial Hotline

Call, fax or e-mail for answers to all your financial questions.

Q: Who received a stimulus check in 2021?

Married filing jointly earning less than \$150,000 a year, head of household earning less than \$112,500 and individuals earning less than \$75,000 a year should have received the full \$1,400 per person. Families earning up to \$160,000 per year and individuals earning up to \$80,000 per year were eligible to receive stimulus checks for a smaller amount. Unlike the previous two rounds, you should have received stimulus payments for all your dependents, including adult dependents and college students.

Q: I qualified but did not receive a third stimulus check in 2021. How do I claim the 2021 Recovery Rebate Credit?

If you didn't get the full amount of the third Economic Impact Payment, you may be eligible to claim the 2021 Recovery Rebate Credit and must file a 2021 tax return – even if you don't usually file taxes - to claim it. Your 2021 Recovery Rebate Credit will reduce any tax you owe for 2021 or be included in your tax refund. In addition, if you didn't get the full amount of the first and second Economic Impact Payment, you may be eligible to claim the 2020 Recovery Rebate Credit and must file a 2020 tax return – even if you don't usually file taxes - to claim it.

Q: What is the standard mileage rate for tax year 2021?

For 2021, the rate is 56 cents per business mile driven, 16 cents per mile for moving or medical purposes and 14 cents per mile for charity miles driven. Taxpayers always have the option of claiming deductions based on the actual costs of using a vehicle rather than the standard mileage rates.

Taxpayers can use the standard mileage rate but must opt

to use it in the first year the car is available for business use. Then, in later years, they can choose either the standard mileage rate or actual expenses. Leased vehicles must use the standard mileage rate method for the entire lease period (including renewals) if the standard mileage rate is chosen.

Q: I was single almost all of 2021 but married in December. How do I determine which filing status is my best option?

A taxpayer's filing status defines the type of tax return form they should use when filing their taxes. Filing status can affect the amount of tax they owe, and it may even determine if they have to file a tax return at all.

There are five IRS filing statuses. They generally depend on the taxpayer's marital status as of Dec.31. However, more than one filing status may apply in certain situations. If this is the case, taxpayers can usually choose the filing status that allows them to pay the least amount of tax. Here are the five filing statuses:

Single. Normally this status is for taxpayers who are unmarried, divorced or legally separated under a divorce or separate maintenance decree governed by state law.

Married filing jointly. If a taxpayer is married, they can file a joint tax return with their spouse. When a spouse passes away, the widowed spouse can usually file a joint return for that year.

Married filing separately. Married couples can choose to file separate tax returns. When doing so it may result in less tax owed than filing a joint tax return.

Head of household. Unmarried taxpayers may be able to file using this status, but special rules apply. For example, the taxpayer must have paid more than half the cost of keeping up a home for themselves and a qualifying person living in the home for half the year.

Qualifying widow(er) with dependent child. This status may apply to a taxpayer if their spouse died during one of the previous two years and they have a dependent child. Other conditions also apply.



Reconciling the Advance Child Tax Credit

Q&A

How do I reconcile my advance Child Tax Credit payments and my Child Tax Credit on my 2021 tax return?

You should have received Letter 6419 to provide the total amount of advance Child Tax Credit payments that were disbursed to you during 2021. (Be sure to keep this letter regarding your advance Child Tax Credit payments with your tax records) When you file your 2021 tax return you will need to compare the total amount of the advance Child Tax Credit payments that you received during 2021; with the amount of the Child Tax Credit that you can properly claim on your 2021 tax return.

If the amount of your Child Tax Credit exceeds the total amount of your advance Child Tax Credit payments, you can claim the remaining amount of your Child Tax Credit on your 2021 tax return.

However, if you received a total amount of advance Child Tax Credit payments that exceeds the amount of Child Tax Credit that you can properly claim on your 2021 tax year, you may need to repay to the IRS some or all of

that excess payment.

You qualify for full repayment protection and won't need to repay any excess amount of your advance Child Tax Credit payments if your main home was in the United States for more than half of 2021 and your modified adjusted gross income (AGI) for 2021 is at or below the following amount based on the filing status on your 2021 tax return:

- \$60,000 if you are married and filing a joint return or if filing as a qualifying widow or widower;
- \$50,000 if you are filing as head of household; and
- \$40,000 if you are a single filer or are married and filing a separate return.

Your repayment protection may be limited if your modified AGI exceeds these amounts or your main home was not in the United States for more than half of 2021.

Prepare for filing *continued from page 5*

- Letter 6475, Your 2021 Economic Impact Payment, to determine eligibility to claim the recovery rebate credit
- Form 1095-A, Health Insurance Marketplace Statement, to reconcile advance premium tax credits for Marketplace coverage

Confirm Mailing and Email Addresses and Report Name Changes.

To make sure forms make it to you. To make sure forms make it to you on time, confirm now that each employer, bank, and other payer has your current mailing address or email address. People can report address changes by completing Form 8822, Change of Address and sending it to the IRS. Taxpayers should also notify the postal service to forward their mail online at USPS.com or their local post office. You should also notify the Social Security Administration of a legal name change.

View your IRS Account Information Online. You can access your individual account information including balance, payments, tax records, transcripts and more. Taxpayers can set up their online account at IRS.gov. If you have

already set up an Online Account, make sure you can still log in successfully.

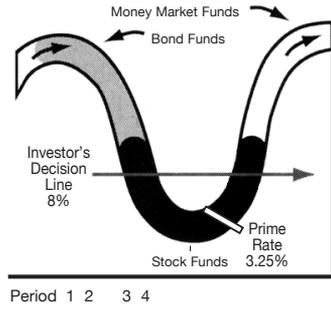
Review Proper Tax Withholding and Make Adjustments if Needed.

You may want to consider adjusting your withholding if you find you owe taxes or receive a large refund in 2021. Changing withholding can help avoid a tax bill or let you keep more money each payday. Life changes – getting married or divorced, welcoming a child, or taking on a second job – may also be reasons to change withholding. It's recommended to complete a new Form W-4, Employee's Withholding Certificate, each year and when personal or financial situations change.

Do you need more time to file? You can get an automatic extension of time to file your tax return by filing form 4868 by April 18, 2022. This gives you an extra 6 months, extending your filing date to October 17, 2022. **This is not an extension on paying your tax bill – so if you owe, you will still need to make payment by April 18, 2022 or face a late-payment penalty.**

The Money Movement Strategy

Prime Rate Chart for Money Movement Strategy



Long-Term Direction: Level
Monthly Change: 0.00%

How It Works

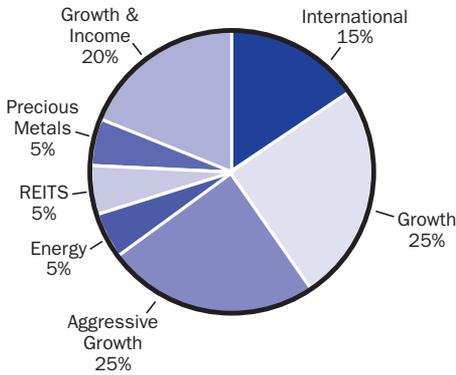
Long-term increases or decreases in the value of stocks, bonds and money market instruments are caused by changes in interest rates, primarily the Prime Rate. Of the three categories of mutual funds — stock, bond, or money market, there is only one type of investment that will give you above-average returns at any given time.

The Money Movement chart represents typical changes of interest rates smoothed out over time. The Investor's Decision Line (IDL) indicates the point at which you should move your money from one type of fund to another. At this time, the IDL indicates stock funds.

Models For Portfolio Management

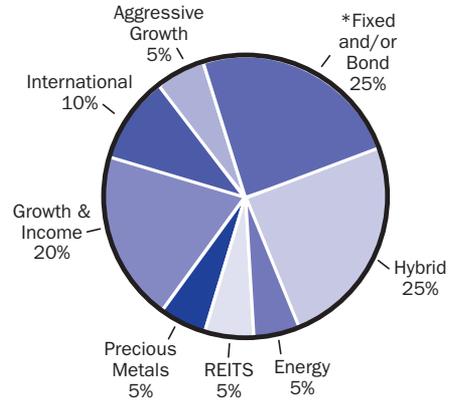
Aggressive

Keep all mutual funds and retirement money in stock funds.



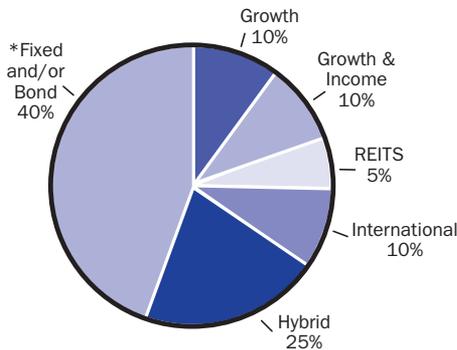
Moderate

Keep most mutual funds and retirement money in stock funds.



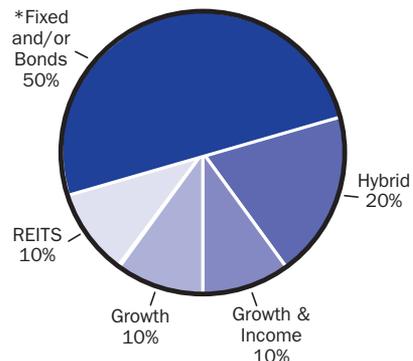
Conservative

Keep most mutual funds and retirement money in stock funds.



Retirees

Note: This portfolio does not follow the Money Movement Strategy! Create the proper mix of Stock, Bond, and money market funds.



*Fixed Market-Linked CDs

No-Load Mutual Funds*

Fund Name/Type	Stock Symbol	Buy, Sell or Hold	3 Month % Change	Average Annual Returns as of to 12/31/21			Expense Ratio
				1 Year % Change	5 Year % Change	10 Year/ % Change	
Aggressive Growth							
BNY Mellon Small Cap Index	DISSX	Buy	5.52	26.26	11.89	14.02	0.50
Kinetics Paradigm No Load	WWNPX	Buy	4.83	38.15	17.70	15.81	1.64
Needham Growth	NEEGX	Buy	6.81	27.68	20.12	15.83	1.85
Schwab Health Care	SWHFX	Buy	9.74	23.29	15.39	15.71	0.80
Value Line Small Cap Opp	VLEOX	Buy	4.26	15.21	15.39	14.98	1.18
Growth							
American Century Mid Cap	ACMVX	Buy	7.25	23.14	9.38	12.79	0.98
BNY Mellon MidCap Index	PESPX	Buy	7.87	24.16	12.54	13.66	0.50
Harbor Mid Cap Growth Inv	HIMGX	Buy	-4.51	-2.44	22.89	17.35	0.94
Janus MidCap Value T	JMCVX	Buy	7.38	19.38	8.60	10.09	0.77
Neuberger Berman Partners Inv	NPRTX	Buy	5.26	28.12	15.35	14.63	0.79
Selected American Shares	SLASX	Buy	1.84	17.72	12.53	12.80	0.98
American Century Small Cap Value	ASVIX	Hold	6.89	36.91	12.73	13.89	1.19
Growth & Income							
American Century Equity	TWEIX	Buy	6.80	16.78	9.68	11.08	0.92
American Century Large Value	ALVIX	Buy	5.96	17.97	9.56	11.70	0.83
Fairholme	FAIRX	Hold	17.96	6.87	8.42	11.55	1.03
Parnassus Equity Income Inv	PRBLX	Buy	10.74	27.55	18.64	16.41	0.84
Janus Contrarian	JSVAX	Buy	2.89	20.85	17.39	15.46	0.82
T. Rowe Price Equity Income	PRFDX	Buy	7.18	25.68	11.17	11.95	0.65
Hybrid							
American Century Balanced	TWBIX	Buy	6.78	16.03	11.36	9.86	0.91
James Balanced Golden Rainbow	GLRBX	Buy	4.99	12.68	4.01	5.12	1.18
Oakmark Equity & Income	OAKBX	Buy	3.59	21.55	10.58	9.76	0.84
Pax Sustainable Individual Inv	PAXWX	Buy	5.17	15.31	11.95	9.97	0.87
Permanent Portfolio	PRPFX	Buy	3.86	10.86	9.99	5.60	0.83
Value Line Asset Allocation Inv	VLAAX	Buy	6.41	11.86	13.64	11.58	1.03
International							
American Century Intl Growth	TWIEX	Buy	16.97	41.32	11.09	11.01	1.16
Artisan International Inv	ARTIX	Buy	2.92	9.02	12.00	9.10	1.19
Matthews China Investor	MCHFEX	Hold	-5.66	-12.26	16.16	8.91	1.09
William Blair Intl. Growth	WBIGX	Buy	1.14	8.68	14.56	10.49	1.45
T. Rowe Price Emerging	PRMSX	Buy	-3.81	-10.46	9.78	6.25	1.21
Sector Funds							
American Century Real Estate Inv	REACX	Buy	16.97	41.32	11.09	11.01	1.16
Cohen & Steers Realy Shares	CSRSX	Buy	16.03	42.61	13.56	12.52	0.88
T. Rowe Price Health Sciences	PRHSX	Buy	2.10	13.27	19.77	20.73	0.76
USAA Precious Metals/Minerals	USAGX	Sell	10.70	-10.15	9.24	-4.10	1.12
US Global Investors Global Res	PSPFX	Hold	8.70	13.62	8.52	-0.65	2.11
Bond Funds							
American Century Infl-Adj Bond	ACITX	Buy	2.29	6.37	4.92	2.63	0.47
Fidelity Capital & Income	FAGIX	Buy	1.84	11.65	9.02	8.64	0.68
Janus Flexible Bond	JAFIX	Buy	-0.06	-0.96	4.21	3.58	0.68
Loomis Sayles Bond Retail	LSBRX	Buy	0.28	2.98	3.94	4.46	0.92
Pax High Yield Bond Indv Inv	PAXHX	Buy	0.35	2.94	5.48	5.29	0.96
American Century Sh-Dur Bd fund	APOIX	Buy	1.30	6.30	3.36	1.87	0.57
Western Asset Core Bond	WATFX	Buy	-0.16	-1.84	4.34	3.94	0.46

The performance data quoted represents past performance and the principal value and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Returns shown, unless otherwise indicated, are total returns, with dividends and income reinvested. Past performance is no guarantee of future results.

Since it purchases equity securities, including common stocks, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. The Fund may buy and sell securities frequently as part of its investment strategy. This may result in higher transaction costs and additional tax liabilities.

Mutual funds are sold by prospectus. An investor should consider the investment objectives, risks, charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. Please read the prospectus carefully before you invest or send money.

Statistics and information provided by Morningstar.

** IAS Owners and employees may hold a position in any of the listed funds.

* Some funds may be closed to New investors due to demand.

Is Your Retirement Savings Too Volatile?

Have You Explored All Your Options?

Now that you have built your investment portfolio, is asset preservation more important than volatile growth? If you are interested in strategies focused on methods that may offer less volatility while still offering growth potential, then call **Daniel Trivison** at

THE INVESTMENT HOTLINE

800-697-2662

We can also answer your questions regarding the following investments:

- Structured Products
- Fixed Index Annuities
- Individual Bonds
- Mutual Funds
- REITs
- Business Development Companies
- And More...

TRIVISON & ASSOCIATES

OVER 32 YEARS OF
EXPERIENCE!



Securities and Advisory services offered through LPL Financial, a Registered Investment Advisor.
Member FINRA/SIPC. No strategy assures success or protects against loss.

What is Digital Real Estate?

Note: This article is in response to general questions about these assets from members. It is for education purposes only and not intended as an endorsement of any investment. The cryptocurrency, NFT and digital real estate markets are still considered highly speculative.

With the actual real estate market too hot for many investors, some have turned to investing in virtual real estate. But if you google the term, you may find confusing and conflicting answers.

In the past, the term, “digital real estate” was used to describe assets such as domain names, websites, blogs, digital products, social media accounts or email lists. Some people used the term when referring to cryptocurrencies like Bitcoin or Ethereum.

But most recently the term “digital real estate” is referring to a new trend of buying virtual real estate in an online format called the metaverse. The metaverse refers to different platforms or realms on the internet. Examples of these ‘worlds’ include Sandbox, Decentraland and Axie Infinity.

To access the metaverse, you will need to set up a crypto wallet to hold your digital assets. A crypto wallet may sound like a new term but it’s just an online account that you put fiat money into. Fiat money is any recognized currency like the US dollar or Euro. You then use that account to buy the specific token required to purchase the plot of land you want.

Each virtual world has its own unique token allowing users to make digital land purchases. You choose the plot of “land” you want and you receive a non-fungible token (NFT). The assets are backed by forgery-proof certificates stored on the blockchain.

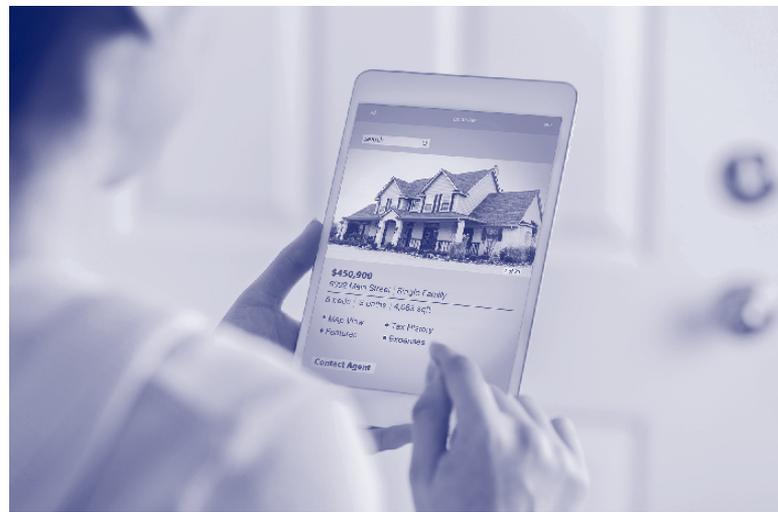
It all sounds a bit daunting but once you settle on where you want to invest it’s a fairly straight forward process. Most of the tokens you would need are sold on popular online sites like Coinbase, Binance or Gemini that guide you through the steps with easy to follow instructions.

What is an NFT? NFTs (or “non-fungible tokens”) are a special kind of cryptoasset in which each token is unique. On the other hand, the bitcoins, altcoins, and the US dollar are all “fungible”. My dollar is worth the same as yours. But just like actual real estate or other assets such as artwork, recordings or even pets - each NFT is

uniquely valued.

NFT could be considered the certificate of authenticity or ownership of an online artifact or asset. For digital real estate, it’s the online version of a deed.

You can buy NFTs directly from the creator or through third party providers. A popular NFT marketplace is OpenSea. They currently have over four million assets available and there are millions more on other sites like Rarible, Foundation, SuperRare and NBATopShop



NFTs are commonly associated with original works or digital art, music or videos. Of course with this type of asset, anything digital can be copied. But the idea behind value in owning the rights to the original is similar to owning an original Van Gogh. Even though there are copies in every form, the original still holds great value. Yes, anyone can just copy the actual photo or recording but no one but you will have the actual certificate of authenticity you have in your wallet and stored on the block chain.

Before you go shopping. BEWARE of fake NFT projects. Anyone in the world can create and sell an NFT without approval from any central authority. Many new NFT projects appear every day and not all of them are legitimate. They may even be representative of a legitimate asset such as a tv series or popular celebrity but have no authorization or affiliation with that asset.

BEWARE of fake NFT marketplaces. There are fake NFT marketplaces that take your money in exchange for worthless assets. Take extra care to be sure you are dealing with only legitimate NFT marketplaces. Some sites recognized as legitimate include:

Rarible (for art), NBA Top Shot (for sports), Axie Infinity (for gaming), Decentraland (for real estate) and Valuables (for tweets). Note: This is just a short list and does not include all legitimate sites.

FREE Portfolio Review

Remove or copy and complete this form and return it to us by fax or mail for a free analysis and consultation.

Name: _____ ID#: _____

Email Address: _____

City: _____ State: _____

Phone #'s: _____

Best time to be reached: _____

I would like help with the following:

- Setting up or analyzing retirement plan(s)
- Opening a Retirement Plan for my business
- College Funding for my children/family
- Investing for Current Income
- Review of 401(k), 403(b) or other retirement plan
- Investing in Mutual Funds
- Transferring or Rollover of IRA or retirement account
- Review of my Investment Portfolio
- Where to invest in 2022

Savings (IRA, 401(k), CDs, etc.):

- 0 - \$10,000
- \$10,001 - \$50,000
- \$50,001 - \$100,000
- \$100,001 - \$500,000
- \$500,001 +

Investment Goals:

Fax to: 407-253-4148

Mail to: IAS Financial
Portfolio Review
P.O. Box 915109
Longwood, FL 32791



Economic Outlook

—By Russ Colbert

Happy New Year as we move into 2022. It should be a transformative year for us in America as well as around the world. We have had two years of changes in the country and the winds of change are blowing strong this year. The economic long-term fundamentals should take more control of the economy this year as the most important drivers of the economy and financial performance.

The Covid and Covid related rules should begin to have less influence on our lives as the months go by. Even though it seems we all know someone who has tested positive, and cases are at record highs, hospitalizations and deaths are decreasing. This is very good news.

Next, President Biden's program to increase entitlements and taxes seems to be up in the air with not enough votes to pass at the time of this writing. It is still possible that the plan totaling several trillion dollars or more may get but we think it is looking more unlikely as time goes on. We are predicting either a smaller bill or nothing at all. Many of the moderate democrats up for re-election in November are more reluctant to vote for it the closer we get to the election date.

Speaking of the election in November, if a small number of democrats lose in the house of Representatives and Senate the Republicans would gain control of the House and Senate. Given the history of Mid-term elections and recent state elections races in Virginia and the close race in New Jersey, it is possible Republicans will be picking up many races. A shift in power would mean no more tax hikes and all legislation would have to be bipartisan to pass. But it would also mean more gridlock. Historically, the stock market favors gridlock.

For now, we can look for a contest between fiscal stimulus packages, rising employment, and improving supply chains. The increased demand for big government spending should start to decline this year. The supply chains seem to be slowly improving. Business inventories are starting to grow. This lends us to expect that the chip makers will be increasing production to meet the demand.

The Federal Reserve has a lot on its plate this year recently announcing as many as three rate hikes for 2022.

When hikes occur, they will most likely be in ¼ point increments. The big question is whether or not the Fed policymakers all agree to do it. In the past, many Federal Reserve bankers have been hesitant to act aggressively on rates during an election year so we are thinking they may only raise rates twice due to the importance of this year's mid term elections.

Another area to watch closely this year is business profits. They are currently coming in very positive overall. We should keep in mind that some of the earnings strength is coming from temporary government spending. We are seeing more jobs, lower unemployment, and lower participation that could translate into higher wages going forward. This could take a percentage of business and corporate earnings away going forward. We still think growth in profit for companies could reach 10% or better this year. This is below what we saw in 2021, but still very good.

The last piece of the puzzle is China and Russia. Will China invade Taiwan? Will Russia invade Ukraine? It is hard to understand the thinking of these communist leaders. We currently don't think China will try it this year. They may make an effort to take some of the tiny uninhabited islands off the coast of Taiwan. But we still must wait and see what happens.

Only Putin really knows what will happen on the situation with Ukraine. Both countries would take an economic and stock market hit if they were to invade. It would cause all stock markets to temporarily drop, but neither would change the fundamentals and things would eventually bounce back.

If you have any questions or need a portfolio review to keep you on track with your investments or retirement plan, please call me.

Russ Colbert
Senior Portfolio Manager
1-888-878-0001





P.O. Box 915109
Longwood, FL 32791-5109

Visit our web site at
www.iasfinancial.com

Your username: invest
Your password: invest

Moving soon? Don't miss a single issue.
Call 1-800-287-6584 with your new address.

THE TAX INSTITUTE

GO WITH THE PROS

Did you forget to file? Need to file an amended return?
Did you file an extension?
Contact the IAS Tax Institute.
We are here YEAR-ROUND for all your Tax Needs.

Are You Ready
for 2022?

IAS Members get FREE 1040 Prep
A \$50 Savings!!!!

Taxes Due? Go with the Pros!

IAS Tax Institute is open year-round to our members and non-members alike. We will prepare and file your federal, state, and/or business taxes quickly and accurately to *minimize* your costs and *maximize* your returns.

With our extensive knowledge of tax laws, our commitment to our customers, and satisfaction guarantee, you can depend on the IAS Tax Institute for all your tax needs.

IAS Tax Institute Benefits

- ✓ Tax Preparers w/ Extensive Experience
- ✓ Proven Tax-reducing Strategies
- ✓ Year-round Toll-free & Email Support
- ✓ FREE 2-year Tax Review
- ✓ FREE Tax Organizer
- ✓ FREE Form 1040 Tax Preparation
- ✓ FREE E-Filing Services

FOR MORE INFORMATION CALL: **800-654-6023**
EMAIL: ias@iasfinancial.com