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Re: Assisting Clients in Yielding a Better Result with New Oklahoma Tax Law Changes, Tax Payment Documentation, and Tax Organization Tips

Dear Clients, Colleagues, and Friends:

Four New Oklahoma Tax Rates: (1) Starting in 2022 the Oklahoma source *corporate* income tax rate is reduced from 6% to 4%. That means a 25% (4% + 21%) corporation rate for both state and federal taxes; (2) The Oklahoma pass-through entity (PTE) tax rate will be 4% for members classified as corporations and other PTE's; (3) But, for 2022 PTE members that are individuals or trusts are taxed at 5%; and (4) beginning in 2023 the maximum Oklahoma individual income tax rate will be reduced from 5% to 4.75%.

Document Your Tax Payments: The IRS and states are struggling with timely processing of tax payments. Thus, we are recommending that clients pay online and procure the electronic receipt. Generally, there are three online payment methods: (a) Auto withdraw when e-filing your taxes by providing routing and account numbers; (b) Use the IRS's Direct Pay – good for one-time payments; or (c) Enroll in the Electronic Federal Tax (EFTP) Payment System – best for scheduling payments, reoccurring use, and more accurate payment posting by IRS. For checks that are mailed in, we recommend using Certified Mail with Return Receipt. Following the above helps reduce post-tax filing IRS hassles.

Two Newer Tax Items to Gather for 2021: (1) In March 2021 the IRS started paying Economic Impact Payments (EIP), commonly known as Stimulus payments. Accurately reporting your Stimulus money helps determine if you are eligible for a 2021 tax credit for additional EIP money. Thus, know how much you received in 2021; and (2) If you have eligible dependents, you probably received advanced payments for the enhanced Child Tax Credit (CTC). This January the IRS is sending Letter 6419 stating how much CTC you received. Those CTC payments affect your 2021 taxes. Thus, properly reporting CTC per the Letter is important. That will avoid the IRS from subsequently adjusting your return, including possibly receiving the dreaded demand notice. To further keep the notices at bay, have a plan to organize your tax data. Below are tips to help gather your tax documents and build a reliable system or checklist for same.

Ten Tips for General Tax Organization:

- Start reviewing what was needed in the prior year, the earlier the better;
- Have a file folder in January for your typical W-2s, Form 1099s, Schedule K-1's, etc.;
- Start using the file folder by February; begin it with proof of estimated tax payments;
- Using an Excel spreadsheet summarizing underlying tax documents works well for many;
- Visit Paulhburgess.com for our 10 Tips for Small Business Accountings and work your business accountings so they are complete by late January/early February;
- Update routine data, make notes for: changes, prior year differences, and items that no longer exist;
- Send your tax data when it is organized and complete (or at logical stopping points);
- Refrain from "trickling" in data but be prepared for additional tax information requests;
- Use above to develop your annual tax data gathering system and update it each year; or
- Call us for tax document gathering guidance including preparation of custom checks lists.

Our Firm: Paul H. Burgess, Inc. – Attorney at Law and Certified Public Accountant.

We are starting our 39th year preparing tax returns for businesses, trusts, not-for-profits, individuals, etc. including filings in numerous states. The firm began upon Paul graduating from University of Tulsa's law school in 1993. Ten years earlier he graduated from TU's business school and passed the CPA exam shortly thereafter. Our Attorney/CPA services started with preparing tax returns, and we quickly became well versed in tax controversies using the "Power of the Dual View." Our services further extended to estate planning including drafting trusts and related estate planning documents. Many of our clients were also seeking to purchase, start, or sell a business, and thus we became proficient in Entrepreneur Law, including organizing LLCs, corporations, S-Corporations, and the taxation thereof. Today our practice is primarily focused on the four services enumerated above, which are: (1) Tax Preparation, Planning and Accounting Systems; (2) Tax Controversies including Collections Defense, Audits, Appeals, and Tax Court Representation; (3) Trusts, and Estate Planning, and (4) Business Transactions or Business Law.

Our Team of Four Professionals Heading into our 39th Tax Season Include:

Paul H. Burgess, JD, CPA (Paul@Paulhburgess.com);

Theresa Ruth, CPA, (Theresa@Paulhburgess.com);

Mackenzie Martin, BSBA – Summa Cum Laude (Mackenzie@Paulhburgess.com); and

Melanie A. Burgess, MS (Melanie@Paulhburgess.com)

Top 5 Reasons to Hire a Member of the American Academy of Attorney-CPAs for Your Tax, Business Law, Accounting, & Estate Planning Needs

1. **Unparalleled Perspective:** Seven years of rigorous formal training in accounting and law provides a broader viewpoint. All of our team members have business degrees or a Master's degree. Our alma maters are: University of Tulsa, University of Iowa, Oklahoma State University, and University of Oklahoma.

2. **Uniquely Qualified:** Extensive professional education required to maintain both an Attorney and CPA license. In Oklahoma a lawyer is required to maintain 12 hours of continued legal education, while a CPA is required to have 40 hours, including two hours of ethics for each profession.

3. **First-Class Education:** Attorney-CPAs tend to be up to speed on the latest developments in their practice areas, especially those who are members of the American Academy of Attorney-CPAs.

4. **Best of Both Worlds:** An Attorney-CPA bridges the gap between your legal and financial requirements – "The Power of the Dual View"

5. **A Practical Solution:** Save time and money by hiring a single dually-licensed Attorney-CPA.

Our Contact and Location: We are conveniently located in Mid-Town Tulsa, OK at 1619 S. Boston. We have ample parking including spaces 15 feet from our front door. We further service clients in several states, and some in Europe. Our telephone number is (918) 901-9000, and please visit our website Paulhburgess.com for our *Tax and Financial Newsletters*.

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In closing, we utilize the "Power of the Dual View" to "Yield a Better Result" by working systematically while striving not to get boxed in.