



Tax Preparation Tips & Updates

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The tax year 2022 adjustments described below generally apply to tax returns filed in 2023.

The tax items for tax year 2022 of greatest interest to most taxpayers include the following dollar amounts:

- The standard deduction for married couples filing jointly for tax year 2022 rises to \$25,900 up \$800 from the prior year. For single taxpayers and married individuals filing separately, the standard deduction rises to \$12,950 for 2022, up \$400, and for heads of households, the standard deduction will be \$19,400 for tax year 2022, up \$600.
 - The personal exemption for tax year 2022 remains at 0, as it was for 2021, this elimination of the personal exemption was a provision in the Tax Cuts and Jobs Act.
 - Marginal Rates: For tax year 2022, the top tax rate remains 37% for individual single taxpayers with incomes greater than \$539,900 (\$647,850 for married couples filing jointly).
 - The other rates are:
 - 35%, for incomes over \$215,950 (\$431,900 for married couples filing jointly);
 - 32% for incomes over \$170,050 (\$340,100 for married couples filing jointly);
 - 24% for incomes over \$89,075 (\$178,150 for married couples filing jointly);
 - 22% for incomes over \$41,775 (\$83,550 for married couples filing jointly);
 - 12% for incomes over \$10,275 (\$20,550 for married couples filing jointly).
 - The lowest rate is 10% for incomes of single individuals with incomes of \$10,275 or less (\$20,550 for married couples filing jointly).
 - For 2022, as in 2021, 2020, 2019 and 2018, there is no limitation on itemized deductions, as that limitation was eliminated by the Tax Cuts and Jobs Act.
- The tax year 2022 maximum Earned Income Tax Credit amount is \$6,935 for qualifying taxpayers who have three or more qualifying children, up from \$6,728 for tax year 2021. The revenue procedure contains a table providing maximum EITC amount for other categories, income thresholds and phase-outs.
 - For tax year 2022, the monthly limitation for the qualified transportation fringe benefit and the monthly limitation for qualified parking increases to \$280.



Upcoming Rotary Club Calendar & President notes:

- We have a host family for the 2nd half of Pepi's stay. Thanks to the Bartoldson's for stepping up in such a huge way!!! If your family is taking a neat, Day or weekend trips to places of interest, think of including Pepi is she has time and interest in joining you. This is a group effort, and our girl is very involved in sports. Please let Elaine know if you can help out getting Pepi to and from some of her practices. Our club is also looking to find and sponsor local young adults who are interested in having exciting, life changing experiences as exchange students living abroad! The club's exchange student committee would be happy to talk with those interested in applying for this year's Rotary outbound exchange student program. The committee members are Elaine Bartoldson, Maria Lorensen, Richard McCune, Buzz Poland and Doug Frye.
- January 03 – Board Meeting
- March 11–12 – 2nd Annual Rotary Pickleball Tournament, Randy Smith Center, Inwood
- May 27–31 – Rotary International Conference, Melbourne, Australia



Loading up our Angel Tree gifts for the Salvation Army after last weeks meeting. Thanks to everyone who so generously donated gifts.



Future Programs:

- Dec 15 – Christmas Dinner – Chris Kinsler, Year in Review ***No lunch meeting
- Dec 22 – Carol Rhan, Rotary International
- Dec 29 – Tiffany Hine, BRTC and Small Businesses
- Jan 05 – Irvin Wright, Rotary DEI
- Jan 12 – Coach Martz, Musselman HS Volleyball
- Jan 19 – Amy Orndoff, Berkeley Senior Center
- Jan 26 – Dr Howard–Bostic



December Birthdays	
Collis, Craig	1-Dec
Rhan, Carol	6-Dec
Wortley, William	11-Dec
Weidman, Ernest L Jr.	12-Dec
Oates, Max O. Jr.	13-Dec
Hite, Pamla	19-Dec
Merceruio, Tim	25-Dec
Hilleary, Thorton	28-Dec
Rice, Lacy I. Jr.	29-Dec

Member Anniversaries		
Rhan, Carol	12/30/2021	1
Hamilton, Sandra	12/19/2013	9
Elliott, Vickie	12/29/2005	17
Kelley, Gary	12/15/2005	17
Reid, Kim	12/1/1985	37
Stover, Bill	12/1/1978	44

Wedding Anniversaries	
Cazin, Butch & Estela	21-Dec
Cox, Steve & Betty	14-Dec
Schoon, Marilyn & Bill W.	18-Dec
Poland, Buzz & Lisa	23-Dec



Tax Tips Cont...

- For the taxable years beginning in 2022, the dollar limitation for employee salary reductions for contributions to health flexible spending arrangements increases to \$2,850. For cafeteria plans that permit the carryover of unused amounts, the maximum carryover amount is \$570, an increase of \$20 from taxable years beginning in 2021.
- For tax year 2022, participants who have self-only coverage in a Medical Savings Account, the plan must have an annual deductible that is not less than \$2,450, up \$50 from tax year 2021; but not more than \$3,700, an increase of \$100 from tax year 2021. For self-only coverage, the maximum out-of-pocket expense amount is \$4,950, up \$150 from 2021. For tax year 2022, for family coverage, the annual deductible is not less than \$4,950, up from \$4,800 in 2021; however, the deductible cannot be more than \$7,400, up \$250 from the limit for tax year 2021. For family coverage, the out-of-pocket expense limit is \$9,050 for tax year 2022, an increase of \$300 from tax year 2021.
- The modified adjusted gross income amount used by joint filers to determine the reduction in the Lifetime Learning Credit provided in § 25A(d)(2) is not adjusted for inflation for taxable years beginning after December 31, 2020. The Lifetime Learning Credit is phased out for taxpayers with modified adjusted gross income in excess of \$80,000 (\$160,000 for joint returns).
- For tax year 2022, the foreign earned income exclusion is \$112,000 up from \$108,700 for tax year 2021.
- Estates of decedents who die during 2022 have a basic exclusion amount of \$12,060,000, up from a total of \$11,700,000 for estates of decedents who died in 2021.
- The annual exclusion for gifts increases to \$16,000 for calendar year 2022, up from \$15,000 for calendar year 2021.
 - <https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2022>