

MURPHY FINANCIAL SERVICES, INC.
December 2023 Newsletter

This is my year end newsletter which isn't fancy like in the past and doesn't have a really old picture of me on it.

The IRS has decided they are not going to be able to require payers to issue 1099-Ks for \$600 like they had previously reported. Besides the fact that the payers would need to do some updating on their computer software, the IRS would also need to change the 1040 forms and their software. So, 2023 will be the same requirements as in the past and 2024 will require 1099-Ks be issued for \$5000. Saves you and us a lot of headaches and paperwork.

The city of Milwaukee and Milwaukee County sales taxes will be higher effective January 1, 2024. The city of Milwaukee will be charging 7.9% and the cities in Milwaukee County other than Milwaukee will be charging 5.9%. This will affect your purchases in the city and county of Milwaukee. If you operate a business in Milwaukee or Milwaukee County, you will need to make sure that you collect the correct amount of sales tax in 2024 or it will be coming out of your pocket. Waukesha will still be 5%. I would guess that people in Milwaukee that are close to Waukesha may be purchasing in Waukesha county, especially for large ticket items.

For businesses, Wisconsin has done away with personal property taxes. It always seemed unfair for businesses to pay sales tax on the assets when you purchase them and then every year pay personal property taxes to the municipality they are in.

The IRS is requesting that people make their payments electronically instead of sending in payments with vouchers. Electronic payments are more secure with much less loss and theft as well as quicker. The sad thing is not only is there theft from the postal service but there has also been thefts in the IRS offices.

If you pay estimate payments, the due dates for 2024 are April 15, 2024, June 17, 2024, September 16, 2024, and January 15, 2025. Mark those down on your calendar since we are no longer sending out newsletters quarterly to remind you of the payment dates.

The energy credits for 2023 and the future are back and better. There are limitations per year but not lifetime limitations like in the past. Get your receipts. Some credits are only for materials and others are for materials and labor. If you have any questions, give me a call or send me an email.

If you are 70 ½ or older and want to make charitable donations you should take the money from your IRA and send it directly to the charity. The money will not be taxable and will reduce the value of the IRA. When you reach 73, the current age to take out RMDs (required minimum distributions) the value of your IRA will be less and the RMD will also be less, thus you will pay less taxes. If you are going to make charitable donations anyway, you might as well have it done directly from your IRA so you get money taken out of your IRA that is "free" money, not taxable. It will save you Federal and State taxes.

If you live in Wisconsin or lived in Wisconsin at some point in time, you should check the Wisconsin unclaimed property listing, <https://www.revenue.wi.gov/Pages/UnclaimedProperty/Home.aspx>. We try to look up our clients when we have some extra time but you should also get in the habit of looking into it for you or any other family members. We have found money for clients. It can be old bank accounts

you forgot about, interest and /or dividend checks sent to you but never cashed, pension payments sent to you that were never cashed, things left in safe deposit boxes, and many other types of things. Normally, this money is not taxable. You already were taxed on the interest, dividends, and pension when the checks were sent to you even though you didn't get the money or didn't cash the check. It is an easy way to look for free money.

If you don't pay at least \$2500 of your real estate taxes each year, you will lose the state of Wisconsin property tax credit on your tax returns. Even if you don't itemize and you own a home and are filing a Wisconsin tax return, this pertains to you.

Please remember to let us know if your address or phone number or email address changes so we can continue to be able to contact you.

Happy Holidays!!!