

LINDSEY & WALDO

CERTIFIED PUBLIC ACCOUNTANTS

"You see the numbers, we look for the opportunities."



SPECIAL POINTS OF INTEREST:

- Financial tips
- Unclaimed property
- Digital assets
- Call-in times, referrals, and more...

INSIDE THIS ISSUE:

New Year's Financial Resolutions	1
Don't Wait to Get Inspired	1
Does Montgomery Have Some Found Money for You?	2
Is the IRS Finally Catching Up With Cryptocurrency?	3
Looking for Someone You Can Rely On?	3
Call-in Times	3
IRS Issues Inflation Adjustments for 2022	4
What I'm Reading...	4

Taxing Times

Dedicated to helping our clients keep the money that belongs to them through a focus on tax.

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New Year's Financial Resolutions

The first full week of the year is often cited as one of the most difficult and depressing weeks of the year. Far from shiny newness, experts say that with all the let-down after the holidays, coming back to work, or leaving behind family, can bring a heightened sense of loss. That, combined with the fact that we're staring at 2 to 4 months still left of winter (depending upon what part of the country you call home, of course -- we have clients and friends reading this from across the country)...

Well, it can be a tough week.

Hope you don't mind if I volunteer not only to provide authoritative and actionable tax advice for your specific situation, but also to play a role as a "coach" for your finances, and even your mindset.

Continued on page 2 ➔

Don't Wait to Get Inspired

It's been ten years since we lost the legendary author, mentor, and undisputed King of Motivation, Zig Ziglar. I had the pleasure of seeing him at a live event a couple of times and, probably like many others, still have my autographed copy of *See You at the Top*.

Few had as great an impact on as many people as Zig Ziglar. During his four decades as a motivational speaker, he stirred countless groups with his distinctive blend of sound-bite optimism and country wit, nudging them to see the bright side of life.

As we start this new year, here are a few of my favorite Ziglar quotes:

"If you can dream it, then you can achieve it. You will get all you want in life if you help enough other people get what they want."

"Your attitude, not your aptitude, will determine your altitude."

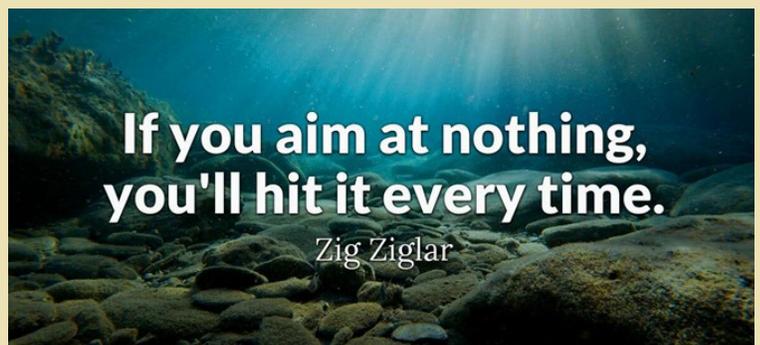
"I believe that being successful means having a balance of success stories across the many areas of your life. You can't truly be considered successful in your business life if your home life is in shambles."

"People often say that motivation doesn't last. Well, neither does bathing - that's why we recommend it daily."

"It's not what you've got, it's what you use that makes a difference."

"Take time to be quiet."

"Don't wait to get inspired. You have to manufacture your own inspiration and motivation." ※



**If you aim at nothing,
you'll hit it every time.**

Zig Ziglar

New Year's Financial Resolutions— *continued from page 1*

This is why our clients and their friends seek us out for more than just tax preparation, but a whole host of other services as well -- from planning, to business services, to simple encouragement. **I get to be someone in your life who says: "You can do this. You're not alone."**

Here's the thing about most financial resolutions: like most other New Year's resolutions, they don't usually last even until the end of January. That's because making a permanent change in our behavior requires both time and a steely resolve. But, I've found that I can develop financial character one action at a time.



So, in that vein, here are some financial practices to take you from pauper to prince or princess if you add one each year. If you've already got one down, move to the next one on the list.

#1 MOST CRITICAL: Resolve to become (and stay) debt free. Now, I'm not Dave Ramsey, but there's a reason why he's become so popular: his approach works. I'd say that you can have a fixed rate, fixed year traditional mortgage on your house—but nothing else, please. No equity line of credit on your house. No car payments. Certainly no credit card debt! Because you simply have to learn to live within your income—

which, unfortunately, sometimes means going without. The millionaires among us are really frugal. So learn to enjoy that process, and it's a fantastic start.

#2 Automate Your Savings (aka Pay Yourself First). You can start by getting the entire match if your company offers a 401(k) plan. Usually this translates to saving 5% of your salary while the company contributes a 4% match, *which is the fastest way to get an 80% return on your money!* Most Americans forgo this match, believing they need to spend 100% of their salary. But you can learn to think like a millionaire and live well on 95% of what you make. If you don't have a 401(k) plan, act like you do, and sock away 5% automatically.

#3 Fully Fund Your Roth IRA. This is \$6,000 in 2022, and \$7,000 if you are older than age 50. If you can't manage the entire amount all at once, put in \$500 monthly. Automating deposits in an employer-defined contribution plan is easy. Fortunately, automating savings in a Roth IRA, or a taxable savings plan, is equally painless. Most brokers offer an automatic money link between your checking account and an investment account. Set your savings on autopilot, baby!

Remember— the steps build off one another, so if you already have done the first three, here's your next step:

#4 Save Another 5% in a Taxable Investment Account. Automating savings is great, automating investments is even greater. Keyword here: automate. At this point, you're hitting the mark of saving 15-20% of your income. That's a fast-track to long-term prosperity.

Obviously that's not all, Grasshopper, but these will get you started. ※

Does Montgomery Have Some Found Money for You?

Did you know the State of Alabama may be holding some of YOUR money? Nope, it's not taxes. It is called Unclaimed Property and the state may have some of yours!

"What is this and how do I get mine?" may be the question you are asking.

Unclaimed property may be in the form of cash, stocks, bonds, insurance benefits, or even valuables from safe deposit boxes. Each year, unclaimed or abandoned assets are turned over to Alabama Unclaimed Property by financial institutions and businesses that lose contact with the owners. The Alabama Treasury serves as custodian of these assets and makes every effort to return them to the rightful owner or heirs.

The state has a website that people can go to and search for this unclaimed monies that might be owed to them. Go to <https://alabama.findyourunclaimedproperty.com/> and enter your name. Good luck! ※



Is the IRS Finally Catching Up With Cryptocurrency?

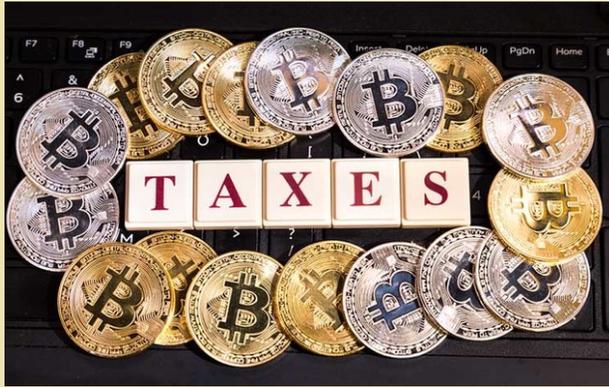
One of the ideas behind a decentralized cryptocurrency, like Bitcoin, was to eliminate the centralized control of money from government agencies. A powerful idea. An alternate currency outside the purview of governments and federal agencies.

More than a decade later, the IRS is catching up. Cryptocurrency exchanges will soon be required to report transactions on Form 1099.

Existing reporting rules. As you probably know, whenever you sell stock, or other securities, through a brokerage account, the brokerage sends you a Form 1099-B at the end of the year. Details of the transaction are reported on that form such as sale proceeds, relevant dates, your tax basis for the sale, and the character of the gains or losses.

Furthermore, if you transfer stock from one broker to another broker, the old broker must furnish a statement with relevant information, such as tax basis, to the new broker.

Digital asset broker reporting. Recent legislation expands the definition of brokers who must furnish Forms 1099-B to include businesses that are responsible for regularly providing any service undertaking transfers of digital assets on behalf of another person (“Crypto Exchanges”). Thus, any platform on which you can buy and sell cryptocurrency will be required to report digital asset transactions to you, and the IRS, at the end of each year.



Digital assets. For the reporting requirements, a “digital asset” is any digital representation of value which is recorded on a cryptographically secured distributed ledger or any similar technology. Furthermore, the IRS can modify this definition. As it stands, the definition will capture most cryptocurrencies, as well as potentially include some non-fungible tokens (NFTs) that are using blockchain technology for one-of-a-kind assets like digital art.

Cash transaction reporting. You may be aware that when a business receives \$10,000 or more in a cash transaction, that business must report the transaction, including the identity of the person from whom the cash was received, to the IRS on Form 8300. Businesses will now have to treat digital assets like cash for purposes of this reporting re-

quirement.

When reporting begins. These digital asset reporting rules will apply to information reporting that is due after December 31, 2023. For Form 1099-B reporting, this means that applicable transactions occurring after January 1, 2023, will be reported. Whether the IRS will refine the Form 1099-B for digital nuances, or come up with an entirely new form, is yet to be seen. Form 8300 reporting of cash transactions will presumably follow the same effective dates. ✖

Looking for Someone You Can Rely On?

We really believe in the process of referrals, so part of the service we provide is to be sure to refer our clients and associates to other qualified businesspeople in the community.

Below, you’ll find a list of areas in which we know very credible, ethical, and outstanding professionals. If you’re looking for a professional in a specific area we’ve listed, please feel free to contact us. We will be glad to put you in touch with the people we know who provide these products or services.

- ◆ IT Specialist
- ◆ Identity Theft Protection
- ◆ Home Inspector
- ◆ Travel Agent
- ◆ Payroll Processing
- ◆ Printer
- ◆ Life Insurance
- ◆ A/C Repair & Replacement
- ◆ Banker
- ◆ Cultured Marble
- ◆ Mortgage Lender
- ◆ Realtor
- ◆ Attorney
- ◆ Executive Coach
- ◆ Shaklee Wellness Products
- ◆ Custom Embroidered Wedding Gifts
- ◆ Medicare Advantage Plans
- ◆ Home Insulation



This month’s special Member-Only call-in times for Lindsey’s Insider’s Circle will be 1/24/22 from 2:00 to 4:00 pm.

To schedule your appointment, contact Kristen at (251) 633-4070.

Not a member yet? Find out how to become one TODAY!



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IRS Issues Inflation Adjustments for 2022

The IRS recently announced the adjustments for inflation to a wide variety of amounts applicable to the 2022 tax year. However, the IRS cautioned that pending legislation might affect these amounts and taxpayers should be alert for future guidance.



The tax bracket thresholds all adjusted slightly. For example, the threshold at which an individual taxpayer is subject to a 10% tax increased from \$9,950 in 2021, to \$10,275 in 2022. An increase of \$325.

The standard deduction will be \$12,950 for single taxpayers, \$25,900 for married taxpayers filing jointly, and \$19,400 for heads of households.

The maximum taxable income for a 0% capital gains tax rate will be \$83,350 for married couples filing jointly, \$41,675 for single taxpayers, and \$55,800 for heads of households.

\$517,200 is the maximum taxable income for a joint return to still be subject to a 15% capital gains tax rate. For married individuals filing separate returns, the maximum is \$258,600, \$488,500 for heads of household, and \$459,750 for single taxpayers.

Elementary and secondary school teachers can deduct \$300 of classroom expenses.

The deduction for interest on student loans will phase out with modified adjusted gross income (MAGI) exceeding \$70,000 (\$145,000 for joint returns) and is completely phased out at MAGI of \$85,000 (\$175,000 for joint returns).

The first \$16,000 of gifts to any person are not included in taxable gifts made in 2022.
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What I'm Reading...

NOW
Tom Clancy's Op-Center: Sting of the Wasp
by Jeff Rovin

The Magic of Positivity
by Norm Dominguez

RECENTLY
Dead Point
by LaVonne Griffin-Valade

Marketing Magicians
by Seth Greene & Ivan Misner, Ph.D.



If and only to the extent that this publication contains contributions from tax professionals who are subject to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, the publisher, on behalf, of those contributors, hereby states that any U.S. federal tax advice that is contained in such contributions was not intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purposes.*