

LINDSEY & WALDO

CERTIFIED PUBLIC ACCOUNTANTS

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



SPECIAL POINTS OF INTEREST:

- Change is hard
- But, do you **need** it?
- Business mileage rate increase
- Tax Pros are vital
- Reads, referrals, reminders, and more...

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Taxing Times

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

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FEBRUARY 2024

Restarting Your 2024 Financial Goals

There is a big problem with many people's resolutions: **They don't usually last even until the end of January.**

You see it every year. Take a look at the most common resolutions (lose 20lbs, work out more, quit smoking, read more and watch less, etc., etc., etc.) they're all pretty similar – you might as well get out last year's list and just change the date at the top, am I right?

I am not suggesting these aren't worthy goals. Phasing out bad habits helps you to focus and accomplish more of what you need to do in life.

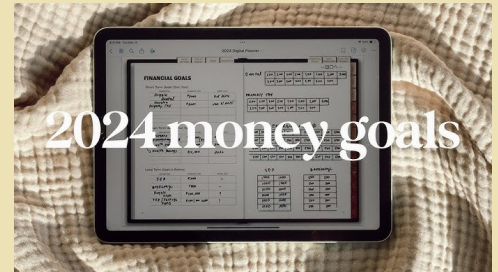
Now, if you are thinking about how to more broadly improve your financial situation this year, I've got some ideas for reaching those financial goals...

The ones I'm about to recommend to you here can last all year, because they're incremental AND anyone can do them.

Making a permanent change in our behavior requires both time and a steely resolve. But, if we attack these things on a step-by-step basis, I've found that we can develop financial character one action at a time.

So, in that vein, here are some things you can do, in sequential order, that will make a huge difference in your financial year. If you've already got one down, check it off, and move to the next on the list.

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Making Our Money Match Our Heart

Tax time can remind us of our choices over the course of the entire previous year. We see how easy it is to pull the trigger on more expensive choices because we convince ourselves that "we deserve it". Rather than wanting this nice thing (whether it's as simple and perhaps-trivial as a clothing item or a dinner at a fine restaurant) -- we think we **need** this new thing.

I've compiled a short list of ideas on how to address these financial matters of the heart ... and some simple ways to put guardrails in place. The goal here is that we would train our hearts to more clearly align with good stewardship and wisdom, when sometimes we aren't used to practicing it.

1) Understand why you are purchasing what you are purchasing.

Sometimes the real reason we are buying something isn't actually the reason we might think we are buying something.

Are you buying your child a new bike because they need a new bike? Or ... are you feeling guilty because you don't feel that you are devoting enough time to that child? Are you purchasing that piece of jewelry for your wife because you simply love her ... or are you wanting to show her something about who YOU are?

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Making Our Money Match Our Heart—*continued from page 1*

These are hard questions, but they need to be asked. Which leads to the second idea...

2) Decide on (and actually operate from) a budget.

All the budgets in the world might align themselves into your family computer, but they are worth absolutely nothing if you don't actually use one of them. There are loads of great apps and utilities to choose from (like YNAB or Mint, among others), and they can make it much simpler to determine whether or not you actually should buy something.

Sure, it may be that Macy's is running a killer sale ... But, if you go past your budget, you could be doing damage to not only your wallet, but your heart.

3) Ditch the bad (expensive) habits and add habits that work even better.

Too often, shopping is used to ameliorate and numb our feelings of distress or pain. Recognize this within yourself when you have the space to realize it (i.e., when you are NOT facing immediate distress or pain!), and look for ways to encourage your own heart and soul to reprogram your response to pressure.

Instead of popping over to Target on a rough day, go out for a jog or take a walk. Read a book to your children, or even pop over to the local coffee shop for a spell. Sure, those \$4 lattes are expensive ... But, they're cheaper than a new set of golf clubs or a new dress.

The point is to create new neural pathways for our brain when under pressure.

4) Give yourself a limit for each purchase.

It's a great idea to establish parameters with your spouse for what you can term a "slush spending amount" (i.e., an amount of money that you agree you can spend without calling each other and checking in). Obviously, this doesn't apply to things such as gas, groceries, and other necessities, but it can provide exactly the kind of trigger and accountability to retrain your heart into healthier spending habits.

5) Practice the art of gratitude.

The ancient Greeks called this practice *eucharisteo* -- and it can be a powerful remedy for the unhealthy practice of buying more "stuff" as a way to feel better about oneself. The fact remains that you have much to be grateful for, no matter your current life circumstances. It mostly requires a willingness to see.

Dealing with our hearts when it comes to our finances is a tricky proposition. But, it's a necessary first step to a healthy family financial picture. ✧



2024 Business Standard Mileage Rate Increases

The optional standard mileage rate used to calculate the deductible costs of operating a vehicle for business use was increased by the IRS by 1.5 cents to 67 cents per mile for 2024.

The standard mileage rates for medical or moving purposes for qualified active-duty members of the armed forces were reduced by one cent to 21 cents per mile.

The 14 cent per mile rate for charitable miles is set by statute and remains unchanged since 2022.

The rates apply to electric and hybrid vehicles, as well as gasoline and diesel-powered vehicles.

Taxpayers can choose to calculate the actual costs of using their vehicles rather than using the standard mileage rates. ✧



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 services.

- | | |
|--------------------------|------------------------------------|
| ◇ Signs | ◇ Attorney |
| ◇ Banker | ◇ QuickBooks Advisor |
| ◇ Medicare Supplements | ◇ Bookkeeping |
| ◇ Financial Advisor | ◇ Payroll Processing |
| ◇ Supplemental Insurance | ◇ Auto and Home Insurance |
| ◇ A/C Repair | ◇ Realtor |
| ◇ Life Insurance | ◇ Custom Monogramming & Embroidery |
| ◇ Mortgage Broker | |
| ◇ Home Inspector | |
| ◇ Cultured Marble | |
| ◇ Printer | |



Restarting Your 2024 Financial Goals

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1) *EVERYONE START HERE*: Resolve to become (and stay) debt free.

Now, clearly, I'm not Dave Ramsey, but there's a reason why he's become so popular: His approach works.

So, as a start, I'd say that you can have a fixed-rate, fixed-year traditional mortgage on your house — but, shoot for nothing else. No HELOC. No car payments. Certainly, no credit card debt. Because you simply have to learn to live within your means — which, unfortunately, sometimes means going without. The millionaires among us really are frugal.

You can learn to enjoy the process of chipping away at your debt, and it's truly the best and first place to start.

2) Automate your savings (i.e., Pay Yourself First).

Does your company offer a 401(k)? Get the entire match. 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. Or talk to your employer about different company savings vehicles.

3) Fully fund your Roth IRA.

This is \$7,000 in 2024, and \$8,000 if you are older than age 50. And, if you can't manage the entire amount in January, it equates to a \$580 monthly savings. Automating these savings plans is relatively painless — it's living without after the fact which seems difficult ... until it isn't.

Set your savings on autopilot and pat yourself on the back.

Remember -- these steps build off one another, so if you already have done the first 3, here's your next step:

4) Save another 5% in a taxable investment account.

Automating savings is great, automating investment is even greater. The key word 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.

In terms of WHAT you invest in, there are many great options. Index funds are a great place to start, but every person's situation is slightly different here.

And so, yes: These are the basic, first steps.

But, get these going this month and get your financial 2024 back on the right track. ✖

Choosing a Reputable Tax Preparer Is Vital to Tax Security

IRS Tax Tip 2023-127

As people get ready for tax filing season, it's important that they select tax return preparers with the skills, education, and expertise to prepare tax forms properly. Taxpayers are ultimately responsible for all the information on their tax return, regardless of who prepares it.

There are many types of tax preparers, including certified public accountants (CPAs), enrolled agents, attorneys, and others. A taxpayer should choose a tax preparer that works best for their needs.

Here are some tips to help people choose a preparer.

Check the IRS Directory of Preparers

Taxpayers can find an enrolled agent, CPA, attorney, or participant in Annual Filing Season Program with the IRS Directory of Preparers.

Checklist for choosing a tax pro

Before hiring a tax preparer:

- **Check the preparer's history with the Better Business Bureau.** Taxpayers can also verify an enrolled agent's status on IRS.gov.
- **Ask about fees.** Taxpayers should avoid tax return preparers who base their fees on a percentage of the refund, or who offer to deposit all or part of their refund into their financial accounts. Taxpayers should be suspicious of preparers claiming they can get larger refunds than other tax preparers.
- **Ask if the preparer plans to use e-file.** The fastest way to get a tax refund is by e-filing and choosing direct deposit.
- **Choose a firm or individual with a track record.** Preparers may need to answer questions about the tax return months or even years later.
- **Ensure the preparer signs the tax return and includes their Preparer Tax Identification Number.** Paid tax return preparers must have a PTIN and include it on any tax return they prepare.
- **Consider the person's credentials.** Only attorneys, CPAs, and enrolled agents can represent taxpayers before the IRS in tax matters. Other tax return preparers who participate in the IRS Annual Filing Season Program have limited practice rights to represent taxpayers during audits of returns they prepared.

Watch out for tax preparer scams

Tax return preparer fraud is a common tax scam.

The IRS is committed to investigating paid tax return preparers who act improperly. Taxpayers can file a complaint if they have been financially impacted by a tax return preparer's misconduct or improper tax preparation practices. ✖





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Happy Leap Day—February 29th!



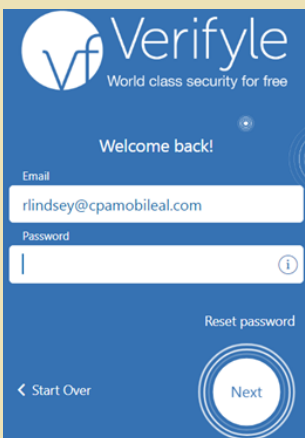
To be removed from our mailing list, call/email us:
(251) 633-4070 or info@CPAMobileAL.com.

Change Reminders

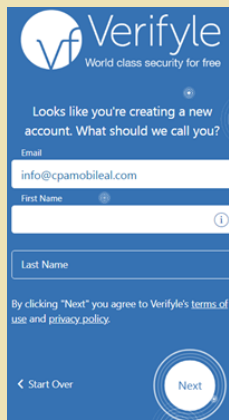
Verifyle – Secure Online Portal

Back again this year, is our secure, online portal—Verifyle. We use this to receive and send your tax information—securely.

If you haven't used this system before, you will receive an email from us with links to sign in and view our messages. The initial sign on screen will look similar to the graphic to the right: ➡



If you have used it in the past, your screen will look similar to the graphic to the left. ➡



The password will be something you created. If you don't remember your password, you can easily reset it from this same log-on screen.

You can submit all of your documents to us electronically. If you elect this method, please contact us to request a current year workspace be established, and then notify us of the completed upload, so we can ensure your information isn't inadvertently overlooked.

Digital Tax Return Copy

Often times, clients have told us they aren't interested in having paper copies of their tax returns they have to store for years. If they ever need their tax returns for bankers, financial aid, or other situations, they have to dismantle the provided paper copy, scan it, and send it, or contact our office to request we provide them with another copy—either digital or paper. We are going paperless only, unless you specifically choose to receive the paper format, or both paper and digital formats. Just let us know your preference when providing us with your tax documents. We will upload the final digital copy of your return in your Verifyle portal.

Again, all of these changes are designed to make tax time, and every time, easier for **YOU**. If you have any questions about the changes mentioned here, feel free to reach out to our office. You can also submit suggestions for improvements any time.

We look forward to working with you again this year, and hope you find these upgrades favorable. ✧

What I'm Reading...

NOW

Tell No Lies by LynDee Walker
Unwoke: How to Defeat Cultural Marxism in America by Ted Cruz

RECENTLY

Sentinels of Fire by P. T. Deutermann



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.*