



Anderson, Nill & Associates, Inc.

December 2021



Jennifer Anderson • President/CEO

Jennifer has led our team since September 2012. She holds a Bachelor's Degree in Accounting and is a licensed Enrolled Agent with the IRS. When not at the office, Jennifer enjoys quiet-morning coffee while reading the latest news, as well as puzzles, board games, and time with her family.



Roxanne Oakley • Senior Bookkeeper

Roxanne has been a constant face here since 1996. She manages bookkeeping and tax preparation for individuals and businesses. She is a licensed Enrolled Agent with the IRS. Roxanne enjoys spending time with her family, spoiling her grandkids, reading, puzzles, and riding her motorcycle.

**Meet
the
Team**



Aaron Spangenberg • Bookkeeper

Aaron became a member of our team in June 2019. He serves bookkeeping clients in a variety of industries and is also a licensed Enrolled Agent with the IRS. Aaron enjoys hunting, fishing, photography, and spending time with his family.



Sydney Marso • Bookkeeper

Sydney joined our team in August 2021 and has been busy developing her own bookkeeping client base. While working full time, she is also pursuing her degree online in Banking & Financial Services through NSU of Aberdeen. Sydney enjoys fishing, time with friends and family, and cheering on the Green Bay Packers.



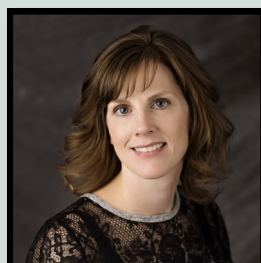
Berkley Hanson • Bookkeeper

Berkley became part of our team in September 2021 as a bookkeeper and data entry clerk. She continues to expand her bookkeeping knowledge, and is excited to take on and learn as much as possible. She enjoys sports, snowmobiling, motorcycles, time with friends and family, and is a huge animal lover!



Hannah Anderson • Office Manager

Hannah joined the team in August 2021. Some of you may remember her working here in 2016. She is now the smiling face at the front desk greeting you. In her spare time, she likes to play video games, go to the gym, and hang out with family. In May, she will be taking on the new adventure of becoming a mom.



Carrie Harer • Executive Assistant

Carrie became part of our team in January 2019. Her work is largely behind the scenes as she carries out a variety of duties to complete special projects. Carrie enjoys gardening, crafting, time at the river with family, and embarking on adventures with her two boys.



Kathy Garber • Data Clerk

Kathy (semi-retired), couldn't live without her ANA family so she came back to work part-time performing data entry for several companies. Her grandchildren hold a special place in her heart. She loves to scrapbook and enjoys spending time with her husband Mark.



25 Years

Roxanne celebrates 25 years!

Roxanne has been a team member since October 1996, when she was hired to fill a data entry position. In true "Roxanne" fashion, that position did not challenge her enough, so she was quickly promoted to a bookkeeper. And within a few years, she passed her Enrolled Agent exam and is licensed with the IRS.

After 25 years of tax and bookkeeping, she is not looking back! Roxanne is the last man standing under Nill's ownership and continues to be a leader in our team under Anderson Nill & Associates.

Roxanne is passionate about helping individuals and businesses with their bookkeeping and tax needs, often creating friendships along the way. Roxanne has a heart of gold and she will go to any length to help where needed. She is truly one-of-a-kind!

Please join us in CONGRATULATING Roxanne for 25 years of dedicated service!

Required minimum distributions

Required minimum distribution (RMDs) were waived for tax year 2020 only, so don't forget to take your RMD for 2021 by Dec. 31, 2021.

If you turn 70 ½ after 2019, you must begin taking RMDs from your traditional IRA by April 1 of the year following the year you reach age 72. For example, if you turned 72 in Sept 2021, you can either take your 2021 RMD in 2021 or you can wait until April 1, 2022. However, you must take your 2022 RMD by Dec. 31, 2022, which means you'll have two RMDs to report on your 2022 return if you wait.

If you fail to take your RMD, you're subject to a 50% excise tax on the amount not distributed. Don't panic though. You can ask the IRS to waive the tax due to reasonable error if you take steps to remedy the shortfall. Contact our office and we'll explain what needs to be done and prepare the necessary paperwork.

Child tax credit

For 2021 only, the child tax credit (CTC) increased from \$2,000 to \$3,000 for each child under age 18, or \$3,600 for each child under age 6. Unfortunately, the extra amount (\$1,000 or \$1,600, respectively) is reduced when income exceeds \$150,000 for married taxpayers filing a joint return (MFJ) and qualifying widow(er)s (QW), \$112,500 for heads of household (HOH) and \$75,000 for single taxpayers. Good news though: the normal \$2,000 credit amount phases out as usual at \$400,000 for MFJ and \$200,000 for all others. Thus, higher income taxpayers may lose some of the credit but not all of it. It's also fully refundable if you have no tax liability.

You also probably noticed that advance CTC payments were made monthly from July through December 2021. These payments were estimates of your 2021 CTC, generally based on your 2020 tax return. If you received advance payments in excess of the CTC allowed on your 2021 return due to a change in circumstances, you may have to repay some or all of the excess amount. For example, you may have a 2021 repayment in a shared custody arrangement if you claim your child only in even-numbered years. There is some repayment protection depending on your income level. However, if your income equals or exceeds \$120,000 for MFJ or QW, \$100,000 for HOH or \$80,000 for single or MFS, plan on repaying the entire excess amount as additional income tax on your 2021 return.

In January 2022, the IRS will send Letter 6419, which provides the total amount of advance CTC payments that were disbursed to you during 2021. Keep this letter to give to us when we prepare your 2021 tax return.

Did you know...

- The state minimum wage will increase from \$9.45/hour to \$9.95/hour for hours worked starting on Jan. 1, 2022. The hourly minimum wage for tipped employees will be \$4.975/hour, half the minimum wage for non-tipped employees. Wages and tips combined must equal at least the minimum wage.
- Ordinarily, if you choose to claim the standard deduction, you cannot deduct your charitable contributions. Good news though, if you don't itemize deductions for 2021, you may deduct up to \$300 (\$600 for married taxpayers filing a joint return) on your 2021 tax return for cash contributions made to most charitable organizations.
- 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.

Virtual Currency: What you need to know

Virtual currency is a digital representation of value, other than a representation of the U.S. dollar or a foreign currency ("real currency"), that functions as a unit of account, a store of value, or a medium of exchange. Some virtual currencies are convertible, which means that they have an equivalent value in real currency or act as a substitute for real currency. The IRS uses the term "virtual currency" to describe the various types of convertible virtual currency that are used as a medium of exchange, such as digital currency and cryptocurrency. Regardless of the label applied, if a particular asset has the characteristics of virtual currency, it will be treated as virtual currency for Federal income tax purposes. If, in 2021, you engaged in any transaction involving virtual currency, check the "Yes" box next to the question on virtual currency on page 1 of Form 1040 or 1040-SR.

A transaction involving virtual currency includes, but is not limited to:

- The receipt of virtual currency as payment for goods or services provided;
- The receipt or transfer of virtual currency for free (without providing any consideration) that does not qualify as a bona fide gift;
- The receipt of new virtual currency as a result of mining and staking activities;
- The receipt of virtual currency as a result of a hard fork;
- An exchange of virtual currency for property, goods, or services;
- An exchange/trade of virtual currency for another virtual currency;
- A sale of virtual currency; and
- Any other disposition of a financial interest in virtual currency.

A transaction involving virtual currency **does not include** the holding of virtual currency in a wallet or account, or the transfer of virtual currency from one wallet or account you own or control to another that you own or control. If your only transactions involving virtual currency during 2021 were purchases of virtual currency for real currency, including the use of real currency electronic platforms such as PayPal and Venmo, you are not required to check the "Yes" box next to the virtual currency question. You **must not leave the field blank** even if you are not required to answer "Yes". If you disposed of any virtual currency that was held as a capital asset through a sale, exchange, or transfer, check "Yes" and use Form 8949 to figure your capital gain or loss and report it on Schedule D (Form 1040).

If you received any virtual currency as compensation for services or disposed of any virtual currency that you held for sale to customers in a trade or business, you must report the income as you would report other income of the same type (for example, W-2 wages on Form 1040 or 1040-SR, line 1, or inventory or services from Schedule C on Schedule 1).

As this is a new and ever-expanding medium of business and assets, we expect further regulations and reporting requirements in the future.

For more information, go to [IRS.gov/virtualcurrencyfaqs](https://www.irs.gov/virtualcurrencyfaqs).



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Merry Christmas

from all of us at



Anderson, Nill
& Associates, Inc.

Happy New Year!