

# HP & Associates, P.C.

**Certified Public Accountant**

27950 Orchard Lake Road, Suite # 110, Farmington Hills, MI 48334

Ph : ( 248 ) 626-4200, Fax : ( 248 ) 626-2800; E-mail: [tax@hpatelcpa.com](mailto:tax@hpatelcpa.com), Website: [www.hpatelcpa.com](http://www.hpatelcpa.com)

## FREQUENTLY ASKED QUESTIONS ABOUT PROCEDURE FOR FILING 2023 TAX RETURN

1. **What information will be required to prepare my tax return?**

Please download and fill the Individual tax return checklist from our website [www.hpatelcpa.com](http://www.hpatelcpa.com). Attach your W2 and other relevant documents and send it back to us either by mail, email or fax listed below. **PLEASE DO NOT SEND THE ORIGINALS.**

2. **How do I send the tax information?**

You can send us the tax information in the following ways:

- a. Email [tax@hpatelcpa.com](mailto:tax@hpatelcpa.com)
- b. Fax 248-626-2800
- c. Mail Above address

3. **How much is the tax return preparation fee?**

The tax return preparation fee depends on the complexity of your tax return and the number of forms that we have to file for you. Our 70% of the individual tax clients pay between the ranges of \$200 to \$340. Additional fee for each additional state. We cannot give you the exact fees until we are finished with the preparation of your tax return.

4. **How can I pay the tax return preparation fee?**

We accept payment in form of Cash, Check, Money Order, Cashier check & Credit card (Visa, Master Card, and Discover only). Tax preparation fee is due when we email you tax return for review before e-filing or mailing the tax return for paper filing.

5. **What happens if the payment for tax return preparation fee is not received within 30 days?**

If the payment is past due for more than 30 days, we will directly take it out from the bank account provided by you in the tax preparation checklist or charge to your credit card.

6. **Whom should I make the check payable to? And where do I send the check?**

Please make the check payable to "HP & Associates P.C." Please mail the payment to.

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7. **How long will it take to prepare my tax return?**

The preparation of your tax return usually takes anywhere between 3 days to 15 days, but may take longer.

8. **Will I get a chance to review the tax return before filing it with the IRS?**

Yes. We will email you a draft copy of your tax return for your review. Please carefully review your tax return. In case any correction needs to be made, please email them to [tax@hpatelcpa.com](mailto:tax@hpatelcpa.com). If there are no corrections to be made, please sign and send (email/fax) the Form 8879 and Schedule A (if applicable) included in your tax return to us. The form 8879 signature is required only for those returns which can be electronically filed.

9. **Can I file my tax return electronically?**

Yes. We can file your tax return electronically. The tax return shall be electronically filed upon receipt of your approval and/or signed Form 8879 and Schedule A (if applicable) included in the draft copy of your tax return. However, there are some exceptions to it. For exceptions, please see below Tax returns that are not eligible for electronic filing.

10. **Tax returns NOT eligible for electronic filing includes but not limited to:**

- a. Tax return with ITIN Applications (*applicable in cases where dependent or spouse does not have a social security number or ITIN*)
- b. Tax return and Amended tax return for 2019 and prior years.

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## 11. City / State Tax Return Preparation

It is your responsibility to let us know the states and cities you worked and lived or moved to and from, during the calendar year 2023 in order to file the tax returns for appropriate states and cities. You are responsible to inform your employer about withholding appropriate taxes for relevant cities or states worked in. In the absence of required information, we will prepare state and or city tax returns based on information on W2, which might not reflect everything. Hence, we encourage you to use our checklist for us to prepare accurate State and or City tax returns.

## 12. What if my tax return is not eligible for electronic filing?

Your tax return has to be paper filed if it is not eligible for electronic filing. In that event, after reviewing your tax return, please send us a simple email (no form is required) letting us know that you approve the tax return. Send this email to [tax@hpatelcpa.com](mailto:tax@hpatelcpa.com). Once we receive your approval, we will mail you a tax packet which will include the complete tax return along with the filing instructions and the addressed envelopes. This tax packet shall be mailed at the address on the tax return unless otherwise instructed. You have to sign couple of forms as instructed in the tax packet and send them to the IRS, State and local government in the addressed envelope provide by us in the tax packet. Please mail your tax return by **certified mail**.

## 13. How long should I wait to check the status of my refund? And where can I check the status of my refund?

We will electronically file your tax return, once we receive your signed Form 8879. Please allow 10-15 business days for the system to update, if you filed on paper, please allow 4-8 weeks for processing of your return. After 15 business days of E filed tax return, you can check refund status on [www.irs.gov](http://www.irs.gov) in the **Refund Status** section.

Have a copy of your tax return handy. You will need to provide the following information from your return:

- Your Social Security Number (or Individual Taxpayer Identification Number);
- Filing status (Single, Married Filing Joint Return, Married Filing Separate Return, Head of Household, or Qualifying Widow(er))
- The exact whole dollar amount of your refund

## 14. When will I receive my refund?

For electronic return with direct deposit information

- approximately 21-30 days of filing

For paper return

- approximately 42 days of mailing

For amended return refunds

- approximately 16-20 weeks of mailing

## 15. How long does it take to process the amended tax return?

It may take 16 to 20 weeks or longer to process the amended tax return. If 20 weeks have elapsed and you have not received your refund on amended tax return, call (800) 829-1040.

## 16. What is ITIN? Do I need ITIN for my spouse or dependents?

ITIN refers to "Individual Tax Identification Number". An ITIN is required when the spouse or dependents do not have social security number and you have to claim them on your tax return.

## 17. Who is Eligible for ITIN? What are the conditions for applying ITIN for the kids & parents?

Spouse (who is not eligible for SSN) can apply for ITIN even though she/he was a non-resident in 2023.

But for kids, they must be present in USA for at least 183 days in 2023. If you are applying ITIN for the visiting parents, *they must* pass the substantial presence test for calendar year 2023. To meet this test, one must be physically present in the United States on AT LEAST:

1. 31 days during 2023, AND
2. 183 days during the 3-year period that includes 2023, 2022, and 2021 counting as follows:
  - a. All the days present in 2023, and
  - b.  $\frac{1}{3}$  of the days present in 2022, and
  - c.  $\frac{1}{6}$  of the days present in 2021

3. HP & Associates, P.C. is a Certified Acceptance Agent from IRS for Certifying Original documents for IRS.

## 18. Do I have to get the ITIN before starting my tax return preparation?

No. The ITIN application has to go with your return. It cannot be sent separately. You just have to give us the **information required to prepare the ITIN application (See FAQ No. 23) and we will take care of it.**

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## 19. Which ITINs will expire Dec 31, 2023?

If your ITIN wasn't included on a U.S. federal tax return at least once for tax years 2020, 2021, and 2022, your ITIN will expire on December 31, 2023. For example, if you applied for and received your ITIN in 2019 and used it to file 2019 federal taxes, but did not use it to file your 2020, 2021, or 2022 federal income taxes, your ITIN would expire on the final day of the third consecutive year (in this case, December 31, 2023).

## 20. How do I renew an expiring ITIN?

We will help you to renew an expiring ITIN. No tax return is required for a renewal application.

## 21. What should I do if my ITIN is expiring Dec 31, 2023?

You will need to renew your ITIN if you will be filing a tax return or claim for refund after the ITIN expires and you will be using the expiring ITIN on that tax return or claim for refund. You should not renew an ITIN if the ITIN holder now has or is qualified to get a social security number (SSN).

## 22. What kind of passport is acceptable for dependents as a stand-alone identification document?

Effective October 1, 2016, only a passport with an entry date into the US will be acceptable as a stand-alone identification document for dependents from countries other than Canada or Mexico or dependents of military members overseas. Affected applicants will now be required to submit either U.S. medical records for dependents under age 6 or U.S. school records for dependents under age 18, along with the passport. Dependents aged 18 and over can submit a U.S. school records or a rental or bank statement or a utility bill listing the applicant's name and U.S. address, along with their passport.

## 23. What will I need to apply for the ITIN for my spouse or dependent? What do I have to send you for preparing the ITIN application?

HP & Associates, P.C. is a Certified Acceptance Agent. Original Passport with Physical presence in my office is the only document that proves both identity and foreign status. For dependents, the passport must have a date of entry to be a stand-alone document, unless the dependent is from Military Overseas.

The passport is no longer accepted as a stand-alone identification document for dependents if the passport does not have a date of entry, unless the dependent is Military Overseas. Applicants will be required to submit (along with the passport) either:

- U.S. medical records for dependents under age 6, or
- U.S. school records for dependents under age 18
- U.S. school records for dependents age 18 and over or
- Rental Statement listing the Applicant's Name and U.S. Address or
- Utility Bill listing the Applicant's Name and U.S. Address or
- Bank Statement with Applicant's Name and U.S. Address

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## **REPORTING FOREIGN BANK ACCOUNTS, RENTAL PROPERTIES, CORPORATIONS AND INCLUDING WORLDWIDE INCOME IN THE US TAX RETURNS UNDER FBAR**

### 24. **What is FBAR?**

Foreign Bank Account Reporting.

### 25. **Who Must File an FBAR**

United States persons are required to file an FBAR if:

- a. The United States person had a financial interest in or signature authority over at least one financial account located outside of the United States; and
- b. The aggregate value of all foreign financial accounts exceeded \$10,000 (\$10,000 \*Exchange Rate) at any time during the calendar year to be reported.

United States person means United States citizens; United States residents (includes visa holders H1B, H4, L1B, L2, EAD, Green Card); entities, including but not limited to, corporations, partnerships, or limited liability companies created or organized in the United States or under the laws of the United States; and trusts or estates formed under the laws of the United States.

### 26. **How to Report and Filing Information**

A person who holds a foreign financial account may have a reporting obligation even though the account produces no taxable income. The FBAR is **not filed with the filer's federal income tax return**. If you want us to file FBAR, it is a Separate Engagement Letter. The granting, by the IRS, of an extension to file federal income tax returns also extend the due date for filing an FBAR. For 2023 Tax Returns you can request an extension for filing the FBAR. The FBAR must be received by the IRS without extension on or before April 15<sup>th</sup>, 2024 and with extension up to six months, for a final deadline of Oct. 15 2024

If you want us to prepare FBAR, also sign FBAR Form 114a along with FBAR Engagement Letter. [Fin CEN Report 114a](#)

### 27. **What if I do not report FBAR?**

Account holders who do not comply with the FBAR reporting requirements may be subject to civil penalties, criminal penalties, or both.

### 28. **FBAR Assistance**

Help in completing FBAR is available by calling 1-866-346-9478 and instructions for Fin Cen Form 114 (PDF) is available at [FBAR instructions](#). Questions regarding FBAR can be sent to [FBARquestions@irs.gov](mailto:FBARquestions@irs.gov). Help with electronic filing questions is available at [BSAEFilingHelp@fincen.gov](mailto:BSAEFilingHelp@fincen.gov).

## **REPORTING FOREIGN BANK INTEREST, DIVIDENDS, RENTAL INCOME, CORPORATION INCOME, ETC.**

### 29. **Do I have to show the Bank Interest & Dividends from a foreign bank account including my home country?**

Yes. When you file a resident tax return in USA, you are required to report your worldwide income. Whether you are a Citizen/Green Card holder/H1B/L1/EAD status, if you file 1040 resident tax return then you have to report worldwide income.

### 30. **What if we have already paid taxes on that income in my home country?**

Still, you have to report that income in your US tax return and claim Foreign Tax Credit for the taxes paid in a foreign country.

### 31. **Do I need to report my rental income from a foreign/home country?**

Rental Income from a foreign/home country should also be included in your US tax return. The rental Income will be calculated in the same manner for US rental income except a different depreciation rate. If you already paid Income Taxes for the rental income, you'll get a Foreign Tax Credit.

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### **FORM 8938 REPORTING FOREIGN ASSETS UNDER FATCA RULES.**

#### **32. Do I have to report my foreign/home country assets like House, Bank Accounts, and Corporations in my 2023 US tax return?**

If you are unmarried taxpayer filing a resident tax return Form 1040 and if the total value of specified foreign financial assets is more than \$50,000 on the last day of the tax year or more than \$75,000 at any time during 2023, then you are supposed to file form 8938 along with your Tax Return.

If you are married taxpayer filing a Joint resident tax return Form 1040 and if the total value of Specified foreign financial assets is more than \$100,000 on the last day of the tax year or more than \$150,000 at any time during 2023, then you are supposed to file form 8938 along with your Tax Return.

If you are a US Citizen or green card holder and resided abroad for more than 330 full days during any period of 12 consecutive months in 2023, and filing a resident tax return Form 1040 and if you are not filing joint return, the total value of your specified foreign assets is more than \$200,000 on the last day of the tax year or more than \$400,000 at any time during 2023, and those filing joint total value of your specified foreign assets is more than \$400,000 on the last day of the tax year or more than \$600,000 at any time during 2023, then you are supposed to file form 8938 along with your Tax Return.

#### **33. What to do when I receive IRS or State Notice?**

Please fax us your notice as soon as you received at 248-626-2800 or e-mail it to us at [tax@hpatelcpa.com](mailto:tax@hpatelcpa.com). We preferred that you send your contact number and e-mail address with the notice. We will review your notice within **5 to 7 business days**. Notice reply would be considered as a separate engagement and the charges will depend upon subject matter of the notice and the time it takes to reply. We will need your direct debit authorization form before we start replying your notice.

#### **34. Record keeping for IRS**

You should maintain supporting documents and cancelled checks for all deduction claimed in the tax return for at least 3 years from the due date of the tax return.

#### **35. Who Must Pay Estimated Tax**

Individuals, including sole proprietors, partners, and S corporation shareholders, generally have to make estimated tax payments if they expect to owe tax of \$1,000 or more when their return is filed.

The safest option to avoid an underpayment penalty is to aim for "100 percent of your previous year's taxes." If your previous year's adjusted gross income was more than \$150,000 (or \$75,000 for those who are married and filing separate returns last year), you will have to pay in 110 percent of your previous year's Tax

C-Corporations generally have to make estimated tax payments if they expect to owe tax of \$500 or more when their return is filed.

#### **36. When To Pay Estimated Taxes**

The payment periods and due dates for estimated tax payments are shown below. For exceptions to the dates listed, see [Saturday, Sunday, holiday rules on IRS website:](#)

For the period:	Due date:
Jan. 1 <sup>st</sup> – March 31	April 15
April 1 – May 31	June 15
June 1 – Aug. 31	Sept. 15
Sept. 1 – Dec. 31	Jan. 16

### **AFFORDABLE CARE ACT**

#### **37. Affordable Care Act**

The Patient Protection and **Affordable Care Act** (PPACA) commonly called the **Affordable Care Act** (ACA) or, colloquially, Obama Care is a United States federal statute signed into law by President Barack Obama on March 23, 2010. If you had health insurance through marketplace and/or have received Premium Tax Credit in 2023, we must need Form 1095-A, otherwise you will receive notice from the IRS and delay in processing return.