



News, information, perspectives for households, investors, individuals
and retirement minded clients of Nagel CPAs, LLC.

**We are
Hiring!**

We are currently seeking to fill two positions:

[*Director of Tax Planning and Compliance](#)

[*Mid-Level Tax Manager](#)

Follow the links above to our website for complete job descriptions. Please email resumes with a cover letter to rlamar@nagelcpa.us

In conclusion...

With the spring filing season behind us we look forward to new projects, new activities, and even a little time off for rest and relaxation.

The back log of work from extended tax returns is significant, as always, and will keep us busy for weeks to come, but at a reduced pace.

Please know that our highest priority for the near future will be completing the tax work that was extended at March 15 and April 18. If you have questions about where you are in the queue, please call.

If you have not yet brought us your records and data to complete your returns, please do so soon.

New this year...

One new challenge we encountered this season was the opportunity to pay New Mexico income tax on earnings of Pass-Through Entities (PTE's) at the entity level, thereby circumventing the Tax Cuts and Jobs Act (TCJA) limit on itemized deductions. Regulations were not clarified until late 2022 and in many cases, forms were not completed and software was not updated until late January 2023.

We now know the finer points of this change and will scour our portfolio for recommendations.

For taxpayers who pay less than \$50,000 in New Mexico income tax on PTE income the benefit is marginal, and cost of compliance is high. We can help you make a good decision in that case.

On the other hand, if you have exceeded that threshold, or expect your PTE business to net in excess of \$1,000,000 in net income in 2023, we should be talking soon about making New Mexico estimated payments at the entity level and discontinue paying estimates individually.

For the future...

Recent data reveals a continual decline in itemizing deductions, with more than 90% of taxpayers electing the standard deduction for a greater benefit.

With mortgage rates higher, this may level off or change slightly in the future. Unreimbursed

medical expenses can influence itemizing, but many taxpayers reach the maximum \$10,000 on deductible taxes. It is difficult to justify planning for itemized deductions in an economically feasible way.

One option that we advised was the bunching of charitable deductions, every other year, to move above the standard deduction. We can help with the timing and amount of funding your favorite church or charity with a simple phone call. We like the use of a Donor Advised Fund (especially with gifts of appreciated assets) for this purpose and stand ready to explain the benefits of using this solution to assure you take maximum advantage of otherwise nondeductible expenditures of your household.

Do not forget...

If you are over the age of 70, you likely are living comfortably on your employer's pension plan and Social Security benefit. You may not need or want to take the Required Minimum Distribution.

Do not forget the benefit of Qualified Charitable Donations (QCD). By donating directly from your IRA to a qualified church or charity you can eliminate the tax on RMDs and keep your heirs from managing taxes on those funds in the future.

If you make a QCD, make sure to let us know from where so we can monitor the reporting for proper treatment. Otherwise, it may get reported as taxable income.

Remember, we are eager to help. Go make a lot of money. Let us help you minimize your taxes.

Thank you for the privilege of your business and another successful tax season.

Best regards,

Roger C. Nagel, CPA/PFS, CMA, CGMA

[Click Here to read this month's article in the Rio Rancho Observer](#)

[Click Here for an update on the market from our colleagues at Archer Investment Corporation](#)

If you know someone that would benefit from the information provided in these newsletters please contact rlamar@nagelcpa.us, or call 505-898-2558 to add them to our subscriber list.

[Visit our website](#)



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