



2ServiceU Inc.

Income Tax – Insurance – Incorporations - Health - Notary –
Immigration – Bookkeeping/Payroll – Other
1247 W Sepulveda Blvd, Torrance, CA 90502

(310) 618-1873 – (562) 843-6694 - (562) 843-9472 –Fax: (310) 289-2112

#

January 15th, 2022

*FREE E-FILE
FREE ESTIMATES*

REF: 2021 Tax Return and Other Important Information

Wishing you health and success for you and your family in 2022. This is another year we are facing Coronavirus with significant tax law changes. In this page, we include important information for your Taxes and additional important information for you, your family, and friends.

1) Taxes:

As soon as you receive ALL of your tax forms, please call, text, or e-mail us to set up an appointment.

On January 18th, 2022 our office will start preparing Tax returns. Our team is prepared and ready to provide you with the best possible service to help you with getting the best refund or minimizing the taxes you pay. We can help you in person, through phone, and through email. With the help of DocuSign, you can sign your taxes, wherever you are, even if you are outside of the state of California.

The IRS has announced that on the week of **January 24th, 2022** they will start accepting tax returns by e-file (this is the best way to file taxes, as it is also faster and more secure).

Click for more information: <https://www.irs.gov/newsroom/2022-tax-filing-season-begins-jan-24-irs-outlines-refund-timing-and-what-to-expect-in-advance-of-april-18-tax-deadline>

There were several tax laws changes in 2021 which will affect most Americans this coming tax season. The expanded child tax credit payments could impact many families' tax refunds, and for the [nearly 90% of Americans who claim the standard deduction](#), they will see a small but positive change.

For the first time in history, the IRS sent the child tax credit as monthly payments to qualifying families. Depending on the amount of your monthly child tax credit payments received in 2021, you may receive a bigger tax refund, get a smaller refund than expected—or even owe additional taxes. If you received monthly child tax credit payments, you must report the amount on your 2021 tax return. You should receive [Letter 6419](#), by the end of January 2022 which will state the total amount of child tax credit payments you received.

The IRS recommends that you compare this amount with the total child tax credit you're entitled.

If the total child tax credit you qualify for exceeds how much you already received through your advance child tax credit payments, you can claim the remaining amount on your 2021 tax return. If you received more than you qualify for, [you will need to repay some](#) or all of the excess payments back to the IRS when filing their taxes.

Here are some reasons where you may receive more than what you may qualify for in 2021:

- Your qualifying child now lives with another parent
- Your income or filing status changed
- You no longer reside in the United States for more than half of 2021

Bring at least the following information to prepare your tax return:

If you were employed:

- IDs, Social Security cards, Health Insurance cards, Birth Certificates, ITINs
- W-2 forms and 1099-MISC forms (for those who are self-employed) along with Self-Employment – Profit & Loss Detail Guide



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- 1095-A Form for Health insurance Information (for those who purchased health insurance through Covered California) and health insurance cards. Some others will receive 1095-B Form (from Health Insurance Company) and 1095-C Form (from Large Employers).
- 1099-G forms for unemployment income, or state or local tax refunds, education expenses
- **Bank account number and routing number, if depositing your refund directly into your account.**
- Any other information you received to prepare your tax return.
- **CLICK IF YOU WANT TO PRINT/VIEW A COMPLETE CHECKLIST.** <https://2serviceu.com/wp-content/uploads/2022/01/2021%20Tax%20Prep%20Checklist.pdf>

- **Child Tax Credit For tax year 2021, the Child Tax Credit is increased from \$2,000 per qualifying child to:**

- \$3,600 for children ages 5 and under at the end of 2021; and
- \$3,000 for children ages 6 through 17 at the end of 2021.

Note: The \$500 nonrefundable Credit for Other Dependents amount has not changed. For more information about the Credit for Other Dependents, see IRS Publication 972, Child Tax Credit and Credit for Other Dependents

- **Advance Child Tax Credit Form:** (Letter 6416, 6416A & 6417) The Internal Revenue Service announced today that it will issue information letters to Advance Child Tax Credit recipients starting in December 2021 and to recipients of the third round of the Economic Impact Payments at the end of January 2022. Using this information when preparing a tax return can reduce errors and delays in processing. The IRS urged people receiving these letters to make sure they hold onto them to assist them in preparing their 2021 federal tax returns in 2022. Please be sure that you received and bring us all the letters and forms received from the IRS.

Even though you did not qualify to receive government credits, you must file taxes to be able to return the money you received in excess

- **Economic Impact Payment letter can help with the Recovery Rebate Credit:** The IRS will begin issuing Letter 6475, Your Third Economic Impact Payment, to EIP recipients in late January 2022. This letter will help Economic Impact Payment recipients determine if they are entitled to and should claim the Recovery Rebate Credit on their 2021 tax returns that they file in 2022. Please bring the letter(s) to us.

If you have not received the last Stimulus you can claim it at the time to prepare your 2021 tax return:

<https://www.irs.gov/newsroom/get-ready-for-taxes-easy-steps-taxpayers-can-take-now-to-make-tax-filing-easier-in-2022>

Or you can also check this:

<https://www.irs.gov/newsroom/irs-provides-revised-questions-and-answers-for-2020-recovery-rebate-credit>

- **Donations:** For 2021, if you are Single you can claim \$300 as deduction for Cash Contributions but if declare married the deduction goes up to \$600.

<https://www.irs.gov/about-irs/special-tax-deductions-available-this-year-for-cash-donations-to-charities-irs-works-to-raise-awareness>

- **If you were Self-Employed (BRING THESE ADDITIONAL FORMS):**

- 1099-NEC forms (self-employed) along with Self-Employment – Profit & Loss Detail Guide.

- **CLICK HERE:** <https://2serviceu.com/wp-content/uploads/2019/01/Self-Employed-Profit-and-Loss-customer-sheet.pdf> **IF YOU WANT TO PRINT/VIEW A Self-Employment – Profit & Loss Detail Guide.**

Get ready for taxes: <https://www.irs.gov/newsroom/get-ready-for-taxes-easy-steps-taxpayers-can-take-now-to-make-tax-filing-easier-in-2022>



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Estimated Tax Payments: IRS is encouraging taxpayers who have to pay, please do it on time to avoid underestimated tax payments penalties and/or interest. See this <https://www.irs.gov/newsroom/irs-reminder-to-many-make-final-2021-quarterly-tax-payment-by-jan-18-avoid-surprise-tax-bill-possible-penalty>

Self-employed or Corporations:

- Issue Forms 1099-NEC to contractors by January 31st, 2022, If you or your corporation pay more than \$600 annually in rent or services performed by someone who is a contractor or alike, you must complete and file Forms 1099-NEC and form 1096. We can help you complete and e-file the forms with the IRS. Call us for more info.
- Renew the permit with City doing Business, no later than February 28, 2022. Call us for more info.

ITINs expired:

Some ITINs have expired on December 31, 2021 and need to be renewed. This applies basically for:

- a) All ITIN's not used on a federal tax return at least once in the last three years will expire on December 31, 2021.
- b) If you have more than 10 years with the ITIN and have not renewed yet
- c) If a previous Renewal Application was rejected due to lack of proof.

We are IRS Certified Acceptance Agents to help and sign the Renewal Form. Call us for more details.

Click <https://www.irs.gov/individuals/itin-expiration-faqs> for more details about ITINs.

Form 1040SR for Seniors (over 65 of age): IRS has issued a form for Seniors who can applied for certain additional benefits

Click here <https://www.irs.gov/newsroom/irs-free-file-helps-seniors-and-retires-do-their-taxes-for-free>

Health Insurance:

No penalty applies for no health insurance since 2019 for Federal purposes, however, in 2021, the annual penalty for Californians who go without health insurance is 2.5% of household income or at least \$750 per adult and \$375 per dependent under 18, whichever is greater. The dollar figures will rise yearly with inflation. California Law established last September 2019 a requirement to have Health Insurance effective 1/1/2020 (otherwise a penalty of \$695 per adult, \$347.50 per child). <https://www.coveredca.com/individuals-and-families/getting-covered/penalty-and-exemptions/>

California EITC and Young Child Tax Credit (YCTC) Rules

If you have low income and work, you may qualify for CalEITC. This credit gives you a refund or reduces your tax owed.

If you qualify for CalEITC and have a child under the age of 6, you may also qualify for the Young Child Tax Credit.

We can help you with this benefit when you are preparing your taxes. You must bring Proof of Residency to get this credit on Dependent's Children. The child must live with you (or with your spouse if you file a joint return) in the United States for more than half of the year. If you claim the child tax credit (CTC) or additional child tax credit (ACTC), but you are not eligible for either credit and it is later determined that your error was due to reckless or intentional disregard of the CTC or ACTC rules, you will not be allowed to claim either credit for 2 years. If it is determined that your error was due to fraud, you will not be allowed to claim either credit for 10 years. You may also have to pay penalties. Please be aware that it is important to bring all documents for your dependents. We can assist you to claim the right credits and benefits for this year's tax returns.

2) Covered California (Health Insurance Coverage):

COVID-19 has made it clear how important it is to have a health plan, so we're keeping our doors open for people who need it. Medi-Cal and Covered California use the same application. After we help you with your application, you will find out whether you qualify for Medi-Cal or Covered California. Applicants must be permanent residents or citizens, or another with Lawful presence status. Do not worry if you have an ITIN number, we can help you with other Health Plans.

The recently enacted American Rescue Plan makes health insurance more affordable for millions of Californians. That means big breaks on monthly health insurance premiums, plus cost savings available to more people than ever before ☺



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<https://www.coveredca.com/marketing-blog/health-insurance-now-costs-less-thanks-to-the-american-rescue-plan/>

Make an appointment with us to get free help signing up for a plan.

Open enrollment ends: January 31, 2022. Contact us for details.

3) **Immigration: Citizenship, Family petitions and more**

Due to the ever-changing alterations in immigration law, it is important for all PERMANENT RESIDENTS (green card holders) to apply for **citizenship right now**. Here at 2ServiceU we can help you through the entire process. If you are of low income, we can help you obtain a FEE WAIVER to waive the Government fees for the citizenship application.

Family petitions: if you are a Permanent Resident or American citizen, you can submit a petition for your family member. Please complete family petitions before new immigration reforms eliminate the possibilities for family petitions.

Permanent resident renewals and more. Remember that Immigration processes are always changing and require close attention. We can help you in any question with your immigration cases. We are Immigration Consultants, get our free advice today. Call us to schedule an appointment.

Dreamers – DACA: The program continues for those who currently or formerly had DACA, but is closed to those who would be applying for the first time. DACA protections and benefits will continue (e.g. deportation protection and work permits) for the time being. DACA recipients can continue submitting renewal applications. We are helping Dreamers, please contact us for more info.

4) **Insurance:**

We are proud to offer low rates on all kinds of insurance, such as **Auto, Home, Health, Motorcycle, Commercial (General liability, Workers Comp, Landscapers, Self-employed)**, Event's insurance (like quinceañera or party insurance), and more. When you purchase insurance, it is very important that you understand the coverages, limits, deductibles, and all other specifics about your policies. We emphasize that your educated decisions will save you time and money in the future. Let our Insurance experts analyze all your insurance needs in order to tailor to coverages in your insurance policies.

Team: **Fanny Cruz, Miguel Rojas, Erika Hernandez,**
Nubia Rojas, Johanna Rodriguez, Karin Lopez
Diana Gonzalez, Humberto Martin, Kevin Fernandez
Carolina Rojas.