

TAX TIPS

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IRS Sending Letters to Advance Child Tax Credit Recipients

Starting in December the Internal Revenue Service will issue information letters to Advance Child Tax Credit recipients, and in January to recipients of the third round of the Economic Impact Payments. Using this information can reduce errors and delays in processing when it comes to preparing your tax return.



Taxpayers Can Get Extra Security with an IP PIN

Taxpayers can get extra protection by joining the IRS's Identity Personal Identification Number (IP PIN) program. Anyone who can verify their identity can protect themselves from tax-related identity theft by opting into the IP PIN program. The fastest and easiest way to receive an IP PIN is by using the Get an IP PIN tool available at IRS.gov. The six-digit number assigned to eligible taxpayers helps prevent the misuse of Social Security numbers or Taxpayer Identification Numbers on fraudulent federal income tax returns.

Solar Power and the Federal Tax Credit

The Federal Solar Tax Credit has been in place since 2005—at varying rates. For 2022 the rate is 26% and applies to the net cost of eligible solar systems installed by homeowners and businesses. According to Zillow, a solar panel can raise a property's value by 4%, and daily headlines remind us of how unreliable and vulnerable our traditional power grids are.

Many states offer tax credits as well. Unfortunately, Alabama (which ranks 48th in terms of residential solar) offers no incentive, although the federal tax credit still applies.



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