

Since  
1977

**R.E.J.'s**  
ACCOUNTING &  
TAX SERVICE



The Jack Jacob Building  
13740 Dix-Toledo Road  
Southgate, MI 48195

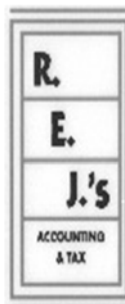


**Maria DeAngelis**  
Bookkeeper

### Understanding 1099 Miscellaneous and 1099-NEC

For clients who need 1099s, the IRS has separated nonemployee compensation onto a new form called the 1099-NEC for the 2020 tax year. Because of this, the IRS has revised Form 1099-MISC. If you filed 1099-MISC in the past, you should most likely choose Box 1-Nonemployee Compensation on the 1099-NEC.

**1099-NEC**– Enter nonemployee compensation of \$600 or more. This includes fees, commissions, prizes and awards of services performed as a nonemployee. **1099-MISC**– The amount of \$600 or more for all types of rent, Gross Proceeds Paid to an Attorney. Gather your information and e-mail Maria at [mdeaglis@rejaccounting.com](mailto:mdeaglis@rejaccounting.com). She will be happy to help you. These forms are due by January 31. Be aware that penalties have increased.



#### Voice Mail System at REJ

We have enhanced our phone system to allow you to confirm your pick-up appointment, change your pick-up appointment, or leave a message for your tax professional. If you are calling after business hours, the Voice Mail will give you the option to enter the extension numbers to reach each party. Robert is 202, Richard is 203, Francois and Ivette share 204, and Maria is 201. Our tax professionals will return your call within a day. If you have not heard from us, please call us at 734 284-8833 and a receptionist will put you in touch with one of our full time accountants. We have caller ID now.

#### REJ's Returning and New Staff Celebrating Our 44th Year in Business

REJ's has maintained most of our staff positions and brought additional staff to better serve our clients in a safe environment.

Our returning staff includes Robert Jacob, a certified management accountant (CMA), Tax accountant, Richard Witkowski, a registered tax preparer (RTTP), along with seasoned tax preparers Francois Michaud and Ivette Salinas. Maria DeAngelis, our head bookkeeper will also manage the office. Our returning front office staff includes Lisa Arseneau; Jocelyne Wendelken; and Lynette Rae who will be answering phones, filing, and scheduling pick-up appointments. REJ's also welcomes our newest addition to the REJ family, Ashley Sandelin.

Please look for your 2022 Calendar and appointment for a contactless drop-off in your newsletter mailing. We will be giving you the week to drop off not a date.

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Year End 2021 Newsletter 44th year in business

### Welcome to REJ's 2021 Contactless Tax Season

REJ is dedicated to keeping clients and staff safe during the 2022 COVID-19 pandemic. To ensure everyone's safety, REJ's tax season will be contactless.

If you need assistance, E-mail is the preferred method of communication with your tax preparer. You can E-mail Bob at [rjacob@rejaccounting.com](mailto:rjacob@rejaccounting.com), Rich at [rwitkowski@rejaccounting.com](mailto:rwitkowski@rejaccounting.com), Francois at [fmichaud@rejaccounting.com](mailto:fmichaud@rejaccounting.com)

Our preparers, Bob, Rich, Francois, will be processing all taxes by contactless drop-off, mail or E-mail.

The front office will call you when your

taxes are complete and schedule appointments for your pick up. Please see the pick-up procedure sheet enclosed with the newsletter.

The office will be open for business on Monday, January 31, 2022. Our new business hours will be 10 through 6, Monday through Friday. We will be closed on Sunday.

We appreciate and thank you for your cooperation with our new procedures. Hopefully,

we will be able to keep everyone safe as we conduct our tax business in 2022.

**(734) 284-8833**

[rjacob@rejaccounting.com](mailto:rjacob@rejaccounting.com)

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*Our warm wishes for a hopeful, healthy New Year.	

**Stimulus Payment** received in March of 2021 and continues through December 2021 are not taxable but must be reconciled. \$1,400 for individuals and \$2,800 for married couples, along with \$1,400 for each dependent.

#### Unemployment is fully taxable for 2021.

**Child Tax Credit** has increased to \$3,000 per qualifying child and increases to \$3,600 for children under age 6. Beginning July 15, 2021 advance payments were being made monthly, this will also have to be reconciled on the tax return. The IRS will send you a letter 6419 in January 2022 providing the total that was sent to you. Bring in this letter.

**Charitable contributions** have increased to \$600 for married couples and \$300 for single filer who do not itemize.

**IRA and H.S.A.** contributions can be made up to April 18, 2022 for the tax year 2021. \$6,000 with a catch up of \$7,000 if 50 years old.



Direct Consulting One, LLC is Our Gold Sponsor for 2022.

Their phone number is **734-601-2800**

What about Bob?

I was blessed with a new grandson on 8/31/2021 Elliott Teran Jacob. Who joins his big sister Eloise June Jacob in the Jacob household.



**Louise**



**Mary Jacob**

**1951-2021**

### Mary's Legacy of Light

I went to Las Vegas over Thanksgiving with my brother Mark Jacob. I was treated to thanksgiving dinner with James and Betty Schepens at their lovely home.

Both U of M and MSU had fantastic football seasons, our new employee Ashley is a 2019 accounting graduate of U of M.



The Jacob family has set up a Legacy of Light Scholarship to honor the memory of Mary Louise Jacob. Mary was a woman who wanted her legacy of generosity, kindness, and stewardship to be remembered. She was the light in the room. Mary gave selflessly and always looked for the best in people as she touched countless people in her daily life.

Mary's Legacy of Light Award will be granted annually to a minimum of two Thriveology youth applicants (ages 14-17) who embody the characteristics of her light and her legacy. For more information or to donate to this worthy scholarship, visit [www.thriveology.org/donate](http://www.thriveology.org/donate).

Or sent to Thriveology  
 Autumn Horton  
 5800 Bishop Street  
 Detroit MI 48224

remembrance ornament



## State and Federal Tax Law Changes for 2021 and Beyond

### Federal Law changes finalized by Congress .

Standard deductions are as follows.

1. Those who are married and filing jointly will have an increased standard deduction of \$25,100, up from the \$24,800. **Single** taxpayers and those who are married and file separately now have a \$12,550 standard deduction, up from the \$12,400. For heads of households, the deduction will be \$18,800, up from \$18,650
2. The child tax credit has increased to \$3,000 per qualifying child who is under the age of 17. An \$3,600 if under 6. A \$500 credit is available for dependents who do not get the larger credits.
3. The deduction for mortgage interest is capped at \$750,000 for mortgage loans. The limit is still \$1 million for mortgages that were established prior to December 15, 2017.
4. The itemized deduction for state and local taxes is limited to \$10,000 for both income and property taxes paid during the year.
5. Employees who participate in retirement plans such as 401(k), 403(b) most 457 plans, and the Thrift Savings Plan can now contribute as much as \$19,500, which remains the same it will go up to 20,500 in 2022.
6. The 37 percent top income rate will affect individuals with incomes of 539,901 and above. The top income rate increases to 647,851 for married taxpayers who file jointly. The new tax law also includes changes to other tax brackets.
7. Employee business expenses, including mileage and home offices, continue to be non-deductible. Mileage rate is 56 cents.
8. Independent contractors can continue to deduct business expenses on Schedule C.

### Available to existing customers:

- \* Alternate Minimum Tax
- \* Business Entity Comparison Chart
- \* Business Entity Pros and Cons
- \* Business Expenses Worksheet
- \* Business Financing - Don't Intermingle Funds
- \* Business Use of Home
- \* Cancellation of Debt - Insolvency
- \* Capital Gains and Losses
- \* Charitable Cash Donation Tracker
- \* Education Tax Benefits
- \* Employee or Independent Contractor
- \* Identity Theft and Your Taxes
- \* Kiddie Tax
- \* Itemized Deductions Education Expenses
- \* Itemized Deductions Homeowners
- \* Itemized Deductions Interest Paid
- \* Standard vs Itemized Deductions
- \* Itemized Deductions Medical Expenses
- \* Itemized Deductions Taxes Paid
- \* Mileage and Expense Log
- \* Multi-State Taxation
- \* Pension Income Planning
- \* Recordkeeping for Tax Purposes
- \* Rental Income and Expense Worksheet
- \* Rental Income and Expenses
- \* Retirement Income
- \* S Corporations
- \* Small Business Health Care Tax Credit
- \* Social Security and Medicare
- \* Starting a Business

Tax Scams, Buy-Sell Agreements, and Business Management are some of our available publications.

**We are updating our website, so if you need a brochure give Us a call and we can email it to you.**