

Get ready to file your taxes in 2024: What's new and what to consider

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The Internal Revenue Service urges taxpayers to take important actions now to help them file their 2023 federal income tax return in 2024.

The [Get ready](#) page on IRS.gov outlines steps taxpayers can take now to make filing easier in 2024.

Here's what's new and what to consider before filing your taxes.

IRS Online Account enhancements

Taxpayers and Individual Taxpayer Identification Number (ITIN) holders can now access their [Online Account](#) and view, approve and electronically sign power of attorney and tax information authorizations from their tax professional.

With an Online Account, individuals can also:

- View their tax owed and payment history and schedule payments.
- Request tax transcripts.
- View or apply for payment plans.
- See digital copies of some IRS notices.
- View key data from their most recently filed tax return, including adjusted gross income.
- Validate bank accounts and save multiple accounts, eliminating the need to re-enter bank account information every time they make a payment.

Avoid refund delays and understand refund timing.

Many different factors can affect the timing of a refund after the IRS receives a tax return. Although the IRS issues most refunds in less than 21 days, the IRS cautions taxpayers not to rely on receiving a 2023 federal tax refund by a certain date,

especially when making major purchases or paying bills. Some returns may require additional review and may take longer to process if IRS systems detect a possible error, the return is missing information or there is suspected identity theft or fraud.

Also, the IRS cannot issue refunds for people claiming the Earned Income Tax Credit (EITC) or Additional Child Tax Credit (ACTC) before mid-February. The law requires the IRS to hold the entire refund – not just the portion associated with the EITC or ACTC. The IRS expects most EITC and ACTC related refunds to be available in taxpayer bank accounts or on debit cards by Feb. 27, 2024, if the taxpayer chose direct deposit and there are no other issues with the tax return.

Last quarterly payment for 2023 is due on Jan. 16, 2024

Taxpayers may need to consider estimated or additional tax payments due to non-wage income from unemployment, self-employment, annuity income or even digital assets. The [Tax Withholding Estimator](#) on IRS.gov can help wage earners determine if there's a need to consider an additional tax payment to avoid an unexpected tax bill when they file.

Gather 2023 tax documents

Taxpayers should develop a record keeping system – electronic or paper – that keeps important information in one place. This includes year-end income documents like Forms W-2 from employers, Forms 1099 from banks or other payers, Forms 1099-K from third party payment networks, Forms 1099-NEC for nonemployee compensation, Forms 1099-MISC for miscellaneous income or Forms 1099-INT for interest paid, as well as records documenting all digital asset transactions.

When they have all their documentation, taxpayers are in the best position to file an accurate return and avoid processing or refund delays.

1099-K reporting threshold delayed

Following feedback from taxpayers, tax professionals and payment processors and to reduce taxpayer confusion, the IRS delayed the new \$600 Form 1099-K reporting threshold for third party settlement organizations for calendar year 2023.

As the IRS continues to work to implement the new law, the agency will treat 2023 as an additional transition year. This will reduce the potential confusion caused by the distribution of Forms 1099-K sent to many taxpayers who wouldn't expect one and may not have a tax obligation. As a result, reporting will not be required unless the taxpayer receives over \$20,000 and has more than 200 transactions in 2023.

Given the complexity of the new provision and the large number of individual taxpayers affected, the IRS is planning for a threshold of \$5,000 for tax year 2024 as part of a phase-in to implement the \$600 reporting threshold enacted under the American Rescue Plan (ARP).

It is important for taxpayers to understand [why they received a Form 1099-K](#), then use the form and their other records to help figure and report their correct income on their tax return. It is also important for taxpayers to know what to do if they [received a Form 1099-K but shouldn't have](#).

There's no change to the taxability of income. All income, including from part-time work, side jobs or the sale of goods is still taxable. Taxpayers must report all income on their tax return unless it's excluded by law, whether they receive a Form 1099-K, a Form 1099-NEC, Form 1099-MISC or any other information return.

Understand energy related credits

Taxpayers who bought a vehicle in 2023 should review the changes under the [Inflation Reduction Act of 2022](#) to see if they qualify for the credits for new [electric vehicles purchased in 2022 or before](#) or the [new clean vehicles purchased in 2023 or after](#). To claim either credit, taxpayers will need to provide the vehicle's VIN and file [Form 8936, Qualified Plug-in Electric Drive Motor Vehicle Credit](#), with their tax return.

If taxpayers made [energy improvements to their home](#), tax credits are available for a portion of qualifying expenses. The Inflation Reduction Act of 2022 expanded the credit amounts and types of qualifying expenses. To claim the credit, taxpayers need to file [Form 5695, Residential Energy Credits](#), Part II, with their tax return.

Speed tax refunds with direct deposit

Filing electronically and choosing direct deposit is the fastest way for taxpayers to get their tax refund. Direct deposit gives individuals access to their refund faster than a paper check.

Those without a bank account can learn how to open an account at an FDIC insured bank or through the national [Credit Union Locator tool](#). Veterans should see the [Veterans Benefits Banking Program](#) for access to financial services at participating banks.

Prepaid debit cards or mobile apps may allow direct deposit of tax refunds. The prepaid debit cards or mobile apps must have routing and account numbers associated with them to enter on the tax return. Check with the mobile app provider or financial institution to confirm which numbers to use.

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