



GLO Report – July 2024

Internal Revenue Service:

IRS announces extension of Free File program through 2029. WASHINGTON – The Internal Revenue Service announced today an extension of the current Free File program through 2029 following an agreement that will continue to make the free private-sector tax software available to taxpayers.

The five-year extension agreement between the IRS and Free File Inc. will continue the program through October 2029.

[Free File](#) is a public-private partnership between the IRS and several tax preparation software companies who provide their online tax preparation and filing software for free. Through this partnership, tax preparation and filing software providers make their online products available to eligible taxpayers. The program is only available on IRS.gov.

This year, Free File saw an increase of about 200,000 tax returns filed through the program, reaching 2.9 million returns as of May 11. That’s an increase of 7.3% from the 2.7 million filed through the same period last year.

“Free File remains an important part of the IRS portfolio to help taxpayers file their taxes for free,” said IRS Commissioner Danny Werfel. “We were pleased to see growth in the program this year, and we look forward to continuing this important collaboration with the tax software industry. Free File was part of a successful filing season at the IRS that saw increased interest in a range of free programs to help taxpayers.”

Now in its 22nd filing season, taxpayers across the nation can access free software products provided by IRS Free File trusted partners by visiting IRS.gov. Through this public-private partnership, tax preparation and filing software providers make their online products available to eligible taxpayers. Eight private-sector Free File partners provide online guided tax software products this year to any taxpayer with an Adjusted Gross Income (AGI) of \$79,000 or less in 2023. In addition, those with an AGI over \$79,000 can use the IRS's Free File Fillable Forms. Free access to online products is only available by starting from IRS Free File.

The IRS noted that Free File remains available on IRS.gov for taxpayers through the Oct. 15 extension deadline for 2023 tax returns.

“Free File has been an important partner with the IRS for more than two decades and helped tens of millions of taxpayers. This extension will continue that relationship into the future,” said

Ken Corbin, chief of IRS Taxpayer Services. “This multi-year agreement will also provide certainty for private-sector partners to help with their future Free File planning.”

For 2024, partners participating in IRS Free File are:

- 1040Now
- Drake (1040.com)
- ezTaxReturn.com
- FileYourTaxes.com
- On-Line Taxes
- TaxAct
- TaxHawk (FreeTaxUSA)
- TaxSlayer

The IRS also saw interest this tax season in the Direct File pilot, which allowed taxpayers to file electronically directly with the IRS for the first time. Several hundred thousand taxpayers across 12 states signed up for Direct File accounts, and 140,803 taxpayers filed their federal tax returns using the new service.

The IRS also saw increased activity in free tax returns at [Volunteer Income Tax Assistance \(VITA\) and Tax Counseling for the Elderly \(TCE\) sites](#), with 2.6 million returns prepared representing 200,000 more than a year ago.

Summer activities that could affect people’s tax returns next year. While summer is a time for fun, it’s never the wrong time to thinking about taxes – and some of those summer activities could have an impact. Here are a few summertime activities and tips on how taxpayers should consider them for filing season.

Marriage

Wedding season is upon us, and newlyweds can make their tax filing easier by taking two simple steps now:

- First, report any name change to the Social Security Administration.
- Next, notify the United States Postal Service, employers and the IRS of any address change. To officially change their mailing address with the IRS, taxpayers must complete and submit [Form 8822, Change of Address](#). See page 2 of the form for detailed instructions.

Summer

camp

If a taxpayer is sending a child to summer camp, the cost may count toward the [Child and Dependent Care Credit](#).

Business travel

Kids may have the summer off, but parents generally don't – and business travel happens year-round. Tax deductions are available for certain people who travel away from their home or main place of work for business reasons. Whether a business traveler is away for a few nights or all summer long, it's important for them to remember the tax rules related to [business travel](#).

Part-time work

While summertime and part-time workers may not earn enough to owe federal income tax, they should file a tax return to get any refund they may be owed. Part-time and seasonal workers can visit IRS.gov to learn more about [who should file a tax return](#).

Some taxpayers earn summer income with a side hustle or doing gig work. They can visit the [Gig Economy Tax Center](#) at IRS.gov to learn how participating in the gig economy can affect their taxes. If taxpayers are paid through payment apps for goods and services during the year, they may receive an IRS Form 1099-K for those transactions. For more information, go to [IRS.gov/1099k](#).

Home improvements

The IRS has information to help taxpayers take advantage of potential tax benefits for home improvements. If taxpayers make qualified energy efficient improvements to their home after Jan. 1, 2023, they may qualify for a tax credit up to \$3,200. They can claim the credit for improvements made through 2032.

These types of improvements include [Energy Efficient Home Improvement Credits](#) for things like water heaters, exterior windows and doors and heating and air conditioning installations. [Residential Clean Energy Credits](#) are available for taxpayers who install solar water heaters, fuel cells and battery storage or solar, wind and geothermal power generation. Taxpayers can visit the [Home Energy Tax Credits](#) page on IRS.gov to learn more.

More Information. How to claim these credits can be found in these step-by-step guides:

- [Energy efficient home improvements](#)
- [Home energy audit](#)
- [Residential energy property](#)

Social Security Administration

The Social Security Administration announced that customers who created an online account (e.g., my Social Security account) before September 18, 2021, will soon be required to transition to a Login.gov account to continue access to their online services. Over five million of these account holders have already transitioned to Login.gov.

Also, a new and improved approach was introduced to better serve our customers who have wage reporting questions or need help with BSO registration.

To enhance the overall customer experience and streamline our services, the SSA has made it easier for you to get in touch with them. They have consolidated our customer service for the business community to a single number. This change provides a more efficient and convenient way to connect with them.

You can receive BSO wage reporting and registration assistance from our Employer Reporting Service Center. Call 1-800-772-6270 (TTY 1-800-325-0778) Monday through Friday, 7:00 a.m. to 5:30 p.m., Eastern Time or email us at employerinfo@ssa.gov.

The SSA invites you to participate in one of our upcoming feedback sessions to help shape the Social Security Administration's FY 2025 [Equity Action Plan](#). Feedback is crucial to improving their services and outreach initiatives.

Event Dates:

- Thursday, July 11, from 1:00 p.m. - 2:00 p.m. ET
- Thursday, July 25, from 1:00 p.m. - 2:00 p.m. ET
- Thursday, August 15, from 1:00 p.m. - 2:00 p.m. ET

How to Participate:

1. Register [here](#) by the Monday before your chosen session.
2. Submit your questions to OEA.NET.Post@ssa.gov by the Thursday before your chosen session.

Department of Labor:

On July 1, the minimum salary level for exempt employees increases from \$684 to \$844 per week as changes made to the Fair Labor Standards Act (FLSA) executive, administrative, professional, outside sales, and computer employee (EAP) or "white collar" exemptions go into effect.

On April 23, the U.S. Department of Labor announced a final rule to increase the salary thresholds in two steps ([89 F.R. 32842](#), 4-26-24). The first increase takes place on July 1, and the second increase is on January 1, 2025, when the minimum salary level increases from \$844 to \$1,128 per week.

Don't Forget HCEs. The final rule also increases the salary requirement for highly compensated employees (HCEs) from \$107,432 to \$132,964 per year on July 1, then from \$132,964 to \$151,164 per year on January 1, 2025. As part of an exempt HCE's annual compensation, the employee

must receive at least the new standard salary amount of \$844 per week on a salary or fee basis on July 1. This threshold increases to \$1,128 on January 1, 2025.

Office of Child Support Services (OCSS)

The OFSS has issued an infographic on the importance of employers when it comes to child support collection and remittance. To view, click [here](#).

State and Local Updates:

- **Arkansas** – withholding tables revised; supplemental wage tax rate decreased. Click [here](#).
- **Connecticut** – Paid sick leave expanded – to be effective January 1, 2025.
- **Hawaii** – Effective June 21, 2024, workers who earn \$4,000 or more a month are exempt from the definition of employee for several state labor laws including minimum wage.
- **Nebraska** – Nonresident withholding updated. Effective January 1, 2025, compensation paid to a Nebraska nonresident employee will not be considered Nebraska income in certain situations.
- **Nevada** - EWA final regulations were issued to be effective July 1, 2024 to clarify their new [law](#).
- South Carolina – Electronic withholding tax filing changed effective June 17, 2024 the Department of Revenue’s batch withholding program was moved to the [MyDORWAY](#) portal.

Happy 4th of July!

