

Are You Interested in NFTs?

The Journal of Accountancy released an article which provides a good summary of Nonfungible Tokens or NFTs.

This article includes items such as what they are, a general history, how they create revenues and expenses, and current accounting for them.

Some key items from the article by the JOA include:

- NFTs are nonfungible due to complex encryption techniques that assign a unique ID, called a “hash value,” to the underlying object
- NFTs are controllable digital records that allow for digital and physical assets to be represented as unique, valuable, and easy-to-transfer “tokens”
- NFTs are created through a process called “minting”
- NFT’s value is subjectively set when it is listed for sale by the owner on an NFT marketplace
- A discussion of the GAAP standards over digital assets

To see the full article as published by the Journal of Accountancy, check out this link –

<https://www.journalofaccountancy.com/issues/2022/oct/what-cpas-need-to-know-about-nfts.html>

Vehicle Refueling or Recharging Station Credits

Have you recently installed a vehicle refueling and recharging station in your home or business? Well you may qualify for the Alternative Fuel Refueling Property Tax Credit that is newly allowed by the IRS.

Who Qualifies?

Available to businesses and individuals that place qualified refueling property into service during the tax year.

Qualified Property:

- Charging stations for 2- and 3-wheeled vehicles (for use on public roads)
- Bidirectional charging equipment (vehicle-to-grid or V2G)

Amount of Credit:

Starting January 1, 2023, the credit for qualified refueling property subject to depreciation equals 6% with a maximum credit of \$100,000 for each single item of property.

How to Claim Credit:

Use Form 8911 to figure and report your credit for alternative fuel vehicle refueling property placed in service during the 2022 tax year. Additional forms and instructions are being created for the 2023 tax year.

All information included above came from the IRS website. For link to the source information and additional information, check out – <https://www.irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit>

Group Audits and SAS 149

Do you complete group audits? A new SAS was just released that you should keep in mind - SAS 149.

As noted in an article by the Journal of Accountancy, “this new SAS introduces a risk-based approach to planning and performing a group audit. This SAS shifts the auditor's approach in determining the components at which to perform audit work from identifying ‘significant components’ to using professional judgment based on assessed risk.”

This SAS will go into effect for audits of group financial statements for periods ending on or after December 15, 2026.

Check out this article for a brief summary of this new SAS - <https://www.journalofaccountancy.com/news/2023/mar/new-standard-provides-risk-based-approach-group-audits.html>

Roth IRA v. 401k

Employee Benefit Plans can be confusing. Add Roth options into the benefit plan mix, and it may be even harder to figure out what option is the best for you. If you are unsure of the differences between a 401K and IRA, or a Roth and a traditional IRA account, check out this article from Forbes. It provides a detailed summary of the different plan options. <https://www.forbes.com/sites/bobcarlson/article/roth-401ks-vs-roth-iras-know-the-important-differences/?sh=36992a7d4866>