



Basis Points – January 13, 2022

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Above the Fold

U.S. Treasury: This Tax Season Likely to Be a Doozy

The U.S. Treasury will begin accepting individual tax returns on Jan. 24, and is recommending you file sooner than later if you want to get a refund in a timely fashion. Aside from changes in the tax code for the new year, which include the somewhat convoluted cash-option for child tax credits, the Internal Revenue Service (IRS) is also working with a limited staff due to budget cuts. The Treasury also noted that the coronavirus pandemic has created “enormous challenges” for the agency and the processing of returns. And with the Biden Administration pushing for increased scrutiny and audits, there could be a perfect storm of delays coming.

Several sources are also reporting a meteoric rise in backlogged, unaddressed returns from last year. One [report](#) by the National Taxpayer Advocate's office, an industry watchdog, found more than 35 million returns were left unprocessed at the end of last year's filing season. Many of these will have to be reviewed by hand, adding to an already strained workforce. Since the typical number of unprocessed returns tends to linger around the 1 million mark, you can imagine the struggle the IRS may be facing in 2022.

With the deadline for personal taxes set at April 18 this year, it's a good idea to get your filing done early and electronically, to ensure timely processing. The agency is also warning Americans to ensure they get their child tax credit payment totals right, or face delays. At this point, there are no formal plans to extend the filing deadline, but the option is not off the table if Omicron or other variants continue to progress.

Three Things

1. *Lime Switches From Scooters to e-Bikes* – Remember all those abandoned scooters littering the streets of cities across the country? Well, after some industry consolidation, and a rethink on strategy, electric bike and scooter maker Lime is spending \$50 million to expand its e-bike offerings domestically. The company believes its next-gen e-bikes, with swappable batteries and better ergonomics, will help propel the low-speed electric vehicle market in metros where users want to stay mobile, out of traffic and green ... all while getting some exercise as well.
2. *Inflation Hits Reagan-Era High* – The Labor Department reported Wednesday that the consumer price index (CPI) rose a hefty 7% in December, up from 6.8% in November, and was the third month for greater than 6% gains. The trend is more than three times the Federal Reserve's targeted rate and was the highest level America has seen since 1982. Even with food and energy prices stripped out, the core CPI was 5.5% higher in December 2022 than the prior year.
3. *TransUnion Links With Blockchain Companies* – The oldest of the three major credit-reporting agencies will now let consumers allow blockchain companies like Ethereum to access their credit reports in order to secure loans and financing backed by crypto holdings. With the volatility of cryptos like Bitcoin and others, the ability for consumers to show creditworthiness may allow for increased crypto-related or collateralized transactions offered by financial institutions that operate on (and off) public blockchains. Personal credit data will be offered through security firm Spring Labs' ky0x Digital Passport.

Did You Know?

Henry Ford's Hemp Obsession

Everyone knows that Henry Ford revolutionized the automotive industry with a dependable, all-metal car that could be mass-produced. But Mr. Ford also patented the first “plastic” car, a predecessor to the high-performance fiberglass autos built today. On this day in 1941, as World War II was raging (and steel rationing began), the Ford company patented a car which used cellulose fibers of soy, wheat and hemp (although details around the real components used were debated) to create most of the exterior paneling. The car was 300 pounds lighter than comparable models and was also designed to run on hemp-ethanol. When America entered the war, car production ground to a halt, and once the war ended, the idea of a plastic car faded.

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