

Missing Information: Non-Cash Charitable Contributions Worksheet

Name: _____ Tax Year: _____
 Home Telephone: _____ Work Telephone: _____ Cell: _____

The following is a guideline for valuation of non-cash charitable contributions. When valuing items, take into consideration the condition of the items. If the value of the donated items is \$250 or more to one charity in one day, you are required to obtain a written receipt from the charity (must contain name and address of charity, date, location of contribution, a description of the items donated, and whether any goods or services were provided to you in return for the donation). The receipt must be signed by the charity, and must be in your hands no later than the filing date of your return. With the exception of publicly traded securities, most donations over \$5,000 require a written appraisal.

Charity name/address: _____
 Date of donation: _____

Appliances

	\$\$ Guideline	Your Cost	# Items	Value Today	Deduction
Air conditioner	21.00 - 93.00	_____	_____	_____	_____
Dryer	47.00 - 93.00	_____	_____	_____	_____
Electric stove	78.00 - 156.00	_____	_____	_____	_____
Gas stove	52.00 - 130.00	_____	_____	_____	_____
Heater	8.00 - 23.00	_____	_____	_____	_____
Microwave	10.00 - 50.00	_____	_____	_____	_____
Refrigerator (working)	78.00 - 259.00	_____	_____	_____	_____
T.V. (color, working)	78.00 - 233.00	_____	_____	_____	_____
Washing machine	41.00 - 156.00	_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Total:		_____	_____	_____	_____

Children's Clothing

	\$\$ Guideline	Your Cost	# Items	Value Today	Deduction
Blouses	2.00 - 8.00	_____	_____	_____	_____
Boots	3.00 - 21.00	_____	_____	_____	_____
Coats	5.00 - 21.00	_____	_____	_____	_____
Dresses	4.00 - 12.00	_____	_____	_____	_____
Jackets	3.00 - 26.00	_____	_____	_____	_____
Jeans	4.00 - 12.00	_____	_____	_____	_____
Pants	3.00 - 12.00	_____	_____	_____	_____
Shirts	2.00 - 6.00	_____	_____	_____	_____
Shoes	3.00 - 9.00	_____	_____	_____	_____
Skirts	2.00 - 6.00	_____	_____	_____	_____
Slacks	2.00 - 8.00	_____	_____	_____	_____
Snowsuits	4.00 - 20.00	_____	_____	_____	_____
Sweaters	3.00 - 8.00	_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Total:		_____	_____	_____	_____

Missing Information: Non-Cash Charitable Contributions Worksheet (pg 2)

Furniture

	\$\$ Guideline	Your Cost	# Items	Value Today	Deduction
Bed (twin)	36.00 - 104.00				
Bed (king, queen, full)	52.00 - 176.00				
Carriage	5.00 - 100.00				
Chair (upholstered)	26.00 - 104.00				
Chest	26.00 - 99.00				
China cabinet	89.00 - 311.00				
Clothes closet	16.00 - 52.00				
Coffee table	16.00 - 67.00				
Convertible sofa	88.00 - 311.00				
Crib (w/mattress)	26.00 - 104.00				
Desk	26.00 - 145.00				
Dining room set	156.00 - 934.00				
Dresser w/ mirror	21.00 - 104.00				
End tables	10.00 - 52.00				
Floor lamps	6.00 - 50.00				
Folding beds	21.00 - 62.00				
Hi riser	35.00 - 78.00				
High chair	10.00 - 52.00				
Kitchen cabinet	26.00 - 78.00				
Kitchen chair	3.00 - 10.00				
Kitchen set	36.00 - 176.00				
Mattress (double)	13.00 - 78.00				
Mattress (single)	16.00 - 36.00				
Pictures and paintings	5.00 - 207.00				
Play pen	4.00 - 31.00				
Rugs	21.00 - 93.00				
Secretary	52.00 - 145.00				
Sleeper sofa (w/mattress)	88.00 - 311.00				
Sofa	36.00 - 207.00				
Trunk	5.00 - 73.00				
Wardrobe	21.00 - 104.00				
<hr/>					
<hr/>					
Total:					

Household goods

	\$\$ Guideline	Your Cost	# Items	Value Today	Deduction
Bakeware	1.00 - 3.00				
Bedspreads/Quilt	3.00 - 25.00				
Blanket	3.00 - 16.00				
Chair/sofa cover	16.00 - 36.00				
Coffeemaker	4.00 - 16.00				
Curtains	1.00 - 12.00				
Drapes	7.00 - 41.00				
Fireplace set	21.00 - 83.00				
Floor lamp	6.00 - 52.00				
Glass/cup	.50 - 2.00				
Griddle	4.00 - 12.00				
Kitchen utensils	.50 - 2.00				
Mixer/blender	5.00 - 21.00				
<hr/>					
Total:					

Missing Information: Non-Cash Charitable Contributions Worksheet (pg 3)

Household., continued

	\$\$ Guideline	Your Cost	# Items	Value Today	Deduction
Lamp	5.00 - 78.00	_____	_____	_____	_____
Pillow	2.00 - 8.00	_____	_____	_____	_____
Plate	.50 - 3.00	_____	_____	_____	_____
Pot/pan	1.00 - 3.00	_____	_____	_____	_____
Sheets	2.00 - 8.00	_____	_____	_____	_____
Throw rug	1.50 - 12.00	_____	_____	_____	_____
Towels	.50 - 4.00	_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Total:		_____	_____	_____	_____

Miscellaneous

	\$\$ Guideline	Your Cost	# Items	Value Today	Deduction
Answering machine	10.00 - 31.00	_____	_____	_____	_____
Bicycle	5.00 - 83.00	_____	_____	_____	_____
Board game	1.00 - 3.00	_____	_____	_____	_____
Book (paperback)	1.00 - 2.00	_____	_____	_____	_____
Book (hardback)	1.00 - 3.00	_____	_____	_____	_____
CD	2.00 - 5.00	_____	_____	_____	_____
Computer monitor	5.00 - 51.00	_____	_____	_____	_____
Computer printer	5.00 - 155.00	_____	_____	_____	_____
Computer system	104.00 - 415.00	_____	_____	_____	_____
Copier	40.00 - 207.00	_____	_____	_____	_____
DVD	2.00 - 5.00	_____	_____	_____	_____
DVD player/VCR	8.00 - 16.00	_____	_____	_____	_____
Edger	5.00 - 26.00	_____	_____	_____	_____
Golf clubs	2.00 - 26.00	_____	_____	_____	_____
Ice skates	3.00 - 16.00	_____	_____	_____	_____
Luggage	5.00 - 16.00	_____	_____	_____	_____
Mower	26.00 - 104.00	_____	_____	_____	_____
Mower (riding)	104.00 - 311.00	_____	_____	_____	_____
Radio	8.00 - 52.00	_____	_____	_____	_____
Sewing machine	15.00 - 88.00	_____	_____	_____	_____
Stereo	16.00 - 78.00	_____	_____	_____	_____
Stuffed animal	.50 - 1.00	_____	_____	_____	_____
Tennis racket	2.00 - 5.00	_____	_____	_____	_____
Typewriter	5.00 - 26.00	_____	_____	_____	_____
Umbrella	2.00 - 6.00	_____	_____	_____	_____
Vacuum cleaner	16.00 - 67.00	_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Total:		_____	_____	_____	_____

Missing Information: Non-Cash Charitable Contributions Worksheet (pg 4)

Men's Clothing

	\$\$ Guideline	Your Cost	# Items	Value Today	Deduction
Jackets	8.00 - 26.00	_____	_____	_____	_____
Overcoats	16.00 - 62.00	_____	_____	_____	_____
Pajamas	2.00 - 8.00	_____	_____	_____	_____
Raincoats	5.00 - 21.00	_____	_____	_____	_____
Shirts	3.00 - 12.00	_____	_____	_____	_____
Shoes	4.00 - 26.00	_____	_____	_____	_____
Shorts	4.00 - 10.00	_____	_____	_____	_____
Slacks	5.00 - 12.00	_____	_____	_____	_____
Suits	16.00 - 62.00	_____	_____	_____	_____
Sweaters	3.00 - 12.00	_____	_____	_____	_____
Swim trunks	3.00 - 8.00	_____	_____	_____	_____
Tuxedo	10.00 - 62.00	_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Total:		_____	_____	_____	_____

Women's Clothing

	\$\$ Guideline	Your Cost	# Items	Value Today	Deduction
Bathing suits	4.00 - 12.00	_____	_____	_____	_____
Bathrobes	3.00 - 12.00	_____	_____	_____	_____
Blouse	3.00 - 12.00	_____	_____	_____	_____
Boots	2.00 - 5.00	_____	_____	_____	_____
Coats	10.00 - 41.00	_____	_____	_____	_____
Dresses	4.00 - 20.00	_____	_____	_____	_____
Evening dresses	10.00 - 62.00	_____	_____	_____	_____
Foundation garment	3.00 - 8.00	_____	_____	_____	_____
Fur coats	26.00 - 415.00	_____	_____	_____	_____
Fur hats	7.00 - 16.00	_____	_____	_____	_____
Handbags	2.00 - 21.00	_____	_____	_____	_____
Hats	1.00 - 8.00	_____	_____	_____	_____
Jackets	4.00 - 12.00	_____	_____	_____	_____
Nightgowns	4.00 - 12.00	_____	_____	_____	_____
Pant suits	7.00 - 26.00	_____	_____	_____	_____
Shoes	2.00 - 26.00	_____	_____	_____	_____
Skirts	3.00 - 8.00	_____	_____	_____	_____
Slacks	4.00 - 12.00	_____	_____	_____	_____
Slips	1.00 - 6.00	_____	_____	_____	_____
Suits	6.00 - 26.00	_____	_____	_____	_____
Sweaters	4.00 - 16.00	_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Total:		_____	_____	_____	_____

	Your Cost	# Items	Value Today	Deduction
Grand Total	_____	_____	_____	_____

BUSINESS

Accounting Records	Retention Period
Accounts payable.....	5 years
Accounts receivable.....	5 years
Audit reports.....	Permanent
Chart of accounts.....	Permanent
Depreciation schedules.....	Permanent
Expense records.....	5 years
Financial statements (annual).....	Permanent
Fixed asset purchases.....	Permanent
General ledger.....	Permanent
Inventory records.....	5 years ¹
Loan payment schedules.....	5 years
Purchase orders (1 copy).....	5 years
Sales records.....	5 years
Tax returns.....	5 Years

Bank Records	Retention Period
Bank reconciliations.....	5 years
Bank statements.....	5 years
Cancelled checks.....	5 years ²
Electronic payment records.....	5 years

Corporate Records	Retention Period
Board minutes.....	Permanent
Bylaws.....	Permanent
Business licenses.....	Permanent
Contracts—major.....	Permanent
Contracts—minor.....	Life + 4 years
Insurance policies.....	Life + 3 years ³
Leases/mortgages.....	Permanent
Patents/trademarks.....	Permanent
Shareholder records.....	Permanent
Stock registers.....	Permanent
Stock transactions.....	Permanent

Employee Records	Retention Period
Benefit plans.....	Permanent
Employee files (ex-employees).....	5 years ⁴
Employment applications.....	3 years
Employment taxes.....	5 years
Payroll records.....	5 years
Pension/profit sharing plans.....	Permanent

Real Property Records	Retention Period
Construction records.....	Permanent
Leasehold improvements.....	Permanent
Lease payment records.....	Life + 4 years
Real estate purchases.....	Permanent

¹Permanent for LIFO system.

²Permanent for real estate purchases.

³Check with your agent. Liability for prior years can vary.

⁴Or statute of limitations for employee lawsuits.

Tax returns can generally be audited for up to four years after filing and up to six years if the IRS suspects underreported income. It is wise to keep tax records at least five years after the tax year. Requirements for records kept electronically are the same as for paper records.

Generally, follow these recommended periods for various documents:

Individual Records	Retention Period
Tax returns (uncomplicated).....	5 years
Tax returns (all others).....	Permanent
W-2s.....	5 years
1099s.....	5 years
Cancelled checks supporting tax deductions.....	5 years
Bank deposit slips.....	5 years
Bank statements.....	5 years
Charitable contribution documentation.....	5 years
Credit card statements.....	5 years
Receipts, diaries, logs pertaining to tax return.....	5 years
Investment purchase and sales slip.....	Ownership period + 5 years
Dividend reinvestment Records.....	Ownership period + 5 years
Year-end brokerage statements.....	Ownership period + 5 years
Mutual fund annual statements.....	Ownership period + 5 years
Investment property purchase documents.....	Ownership period + 5 years
Home purchase documents.....	Ownership period + 5 years
Home improvement receipts and cancelled checks.....	Ownership period + 5 years
Home repair receipts and cancelled checks.....	Warranty period for item
Retirement plan annual reports.....	Permanent
IRA annual reports.....	Permanent
IRA nondeductible contributions Form 8606.....	Permanent
Insurance policies.....	Life of policy + 3 years ¹
Divorce documents.....	Permanent
Loans.....	Term of loan + 5 years
Estate planning documents.....	Permanent

¹ Check with your agent. Liability for prior years can vary.

TAX BRIEFS

Withholding for 2022

If you think your withholding should be adjusted for 2022 (e.g. your income will either increase or decrease; you have additional dependents; you have fewer dependents; you married in 2021 or will marry in 2022, you divorced in 2021 or your divorce will become final in 2022), we need to talk about adjusting your withholding. The IRS drastically changed Form W-4 for 2020 which is used to determine withholding. If you haven't given your employer a new W-4 since 2019 then you should probably do so.

Reminders for Individual Filers ~

Affordable Care Act

The Affordable Care Act ("Obamacare")—along with similar programs in various states—continues to effect many taxpayers. If you received Form 1095-A, B, or C from any issuer or agency, we will need all copies to prepare your tax return. If you did not receive these forms, we will ask you a number of additional questions about insurance coverage, so that we can help you avoid any penalties for failure to have health insurance.

Under few circumstances should you allow your dependent children or college students to file their own returns this year. Great caution should be used because of rules related to the Affordable Care Act, and allowing a child to file their own return, particularly a student, can cost the child and parent literally thousands of dollars in penalties and/or credits.

Caution: Although the federal penalty for not having health insurance has been waived in 2020, some states have enacted their own health insurance requirements including penalties similar or greater to the previous federal penalties for lack of coverage. Awareness of tax law changes in the future should also be exercised.

"Extenders" (and more)

In December, 2020, some "Extenders" were included in the 2021 Consolidated Appropriations Act and were continued for various periods. Below is a summary of the included provisions:

- Mortgage Insurance Premiums deduction extended through 2021
- Qualified principal residence discharge of debt (excluded from gross income) extended through 2025 but at a lower amount for 2021-2025.
- Medical Expenses are permitted above 7.5% of AGI. The 7.5% threshold is now part of the tax code, and will not need to be "extended" each year.
- Certain energy credits are extended through 2021 or 2022
- Tuition and Fees deduction repealed after 2020 in exchange for increasing the Lifetime Learning Credit income phase-out threshold.

Additional Tax for Investment or High Income Taxpayers

If your income is high, you may be subject to an additional 0.9% Medicare tax on your wages and/or a 3.8% surtax on net investment income if yours is over \$250,000 for married taxpayers or \$200,000 for single taxpayers.

Foreign Accounts

If you have read any news in the last year, you know that the IRS is looking closely for offshore accounts. If you have any account(s), retirement account(s), or business interest with combined value of over \$10,000 in a foreign country, or a foreign business ownership (not through a mutual fund), please let us know. Furthermore, any interest in any foreign trust must be reported, and potentially, any foreign asset. There are substantial penalties for failure to disclose.

Furthermore, virtual currency (bitcoin, etc) is being very closely examined by the IRS. "Gains" in virtual currency, if earned (e.g. "mined"), or upon sale or trade, are taxable income. Additionally, on the 2021 tax form, every taxpayer must disclose if they have any activity with virtual currency: whether they receive, sell, send, exchange or otherwise acquire any financial interest in any virtual currency.

IRA and Roth IRAs Contributions

You may contribute to your IRA or Roth IRA for 2021 as long as you do it by April 15, 2022. If your income is too high to make a contribution to your IRA or Roth IRA, you may contribute to a non-deductible IRA. Your contribution may be as much as \$6,000 plus an additional \$1,000 if you're over 50 years of age. If you participate in a retirement plan at work, the amount of your deductible IRAs is limited.

New for Tax year 2020 and beyond, you can now contribute to a Traditional IRA regardless of your age, as long as you still are working.

Employer Plans: 401(k)s, 403(b)s, 457s, SIMPLE IRAs, etc.

The maximum contributions to 401(k)s, 403(b)s, 457s, and other retirement plans is \$19,500 for 2021 and \$20,500 for 2022 in salary deferrals plus an additional \$6,500 if you're over 50 years of age. For SIMPLE IRAs, you may contribute up to \$13,500 in 2021 and \$14,000 in 2022 plus \$3,000 if you're over 50 years of age. Also see the next section below.

Coronavirus-Related Retirement Plan Withdrawals

In many cases, special provision has been made to withdraw up to \$100,000 from many retirement plan types, including IRA's, *without early distribution penalties* even if you are under age 59½. Additionally, an election can be made to report the income over 3 years (instead of including it all in the year distributed), and there are provisions to "roll the money back in" to retirement plan to avoid some (or even all) of any income tax that would otherwise be owed. ***Tax counsel is always advised BEFORE*** taking special retirement withdrawals; timing can be essential to avoid or reduce tax consequences. Also, **some employers** may permit special (coronavirus-related) loans against retirement savings.

Saver's Credit

For 2021, if you contribute to your retirement plan at work or to a traditional or Roth IRA and your income is lower than the income thresholds (less than \$33,000 (\$34,000 in 2022) to less than \$66,000 (\$68,000 in 2022) depending upon your filing status), you qualify for the Saver's Credit. You must be at least 18 years of age, not a full-time student, and not claimed as a dependent on someone else's tax return. Depending on your income, the tax credit is from 10% of your contribution to as high as 50% of your contribution. Eligible contributions to IRA accounts by the April 15, 2022 filing deadline count toward the 2021 Saver's Credit.

Investment Income

The lower 15% tax rates on long-term capital gains (held over 1 year plus 1 day) and qualified dividends are applicable to 2021. The capital gains rate for some investors is zero. The zero-percent rate is limited to taxpayers with capital gain income in approximately the 10% to 15% income tax brackets. Capital gains rates are 20% for high income taxpayers.

College Savings Accounts – 529 Plans

529 Plans allow you to contribute to a college account and if the funds are used for higher education, any amount you pull out is tax free. 529 Plans are clearly an excellent strategy for saving for higher education for family members.

Note: The Tax Cuts and Jobs Act of 2017 also allows tax free withdrawals to pay tuition at a qualified elementary or secondary public, private, or religious school, up to a \$10,000 limit per tax year.

Kiddie Tax

The kiddie tax applies to dependents under the age of 19 and also includes dependents under the age of 24 who are full-time students. Income up to \$1,100 is tax-free in 2021. The next \$1,100 is taxed at 10%, and income above that amount is taxed at your tax rate. The amount is \$1,150 in 2022.

Note: The provision of the Tax Cuts and Jobs Act of 2017 that taxed the child's unearned income at the rates for trusts and estates was repealed. The unearned income above \$1,100 is taxed once again at the parent's rate.

Gift Tax Exclusion

The annual exclusion for tax year 2021 is \$15,000 (\$16,000 in 2022) for gifts to individuals who are citizens of the U.S. Any gifts over this amount require that a gift tax return be filed. For gifts to spouses who are not citizens of the United States, a non-taxable gift is limited to \$159,000 (for 2022 \$164,000). If you gift something that is non-cash (e.g. stock), I do not recommend gifting any asset that is worth less than what you paid for it.

Charitable Contributions (cash or check)

New for 2020 & 2021, you may be able to deduct up to \$300 (\$600 MFJ in 2021) *even if you don't itemize your deductions.*

Both charitable contributions in the form of cash or check require a receipt from the charity. This means that if you attend church on Sunday and put \$10 cash in the collection plate, you cannot take a deduction without a receipt from your church. If you pay by check, your canceled check is your receipt unless the total of your contributions is \$250 or more. Because of recent tax court cases, the best practice is to obtain a receipt for every donation. The receipt must state that no goods or services were offered by the charitable organization.

Non-Cash Charitable Contributions

Don't forget that non-cash charitable deductions require documentation and if the value of your donation exceeds \$250, a detailed receipt from the charity. You cannot simply say "3 bags of clothing." If you need my non-cash charitable contribution worksheet to arrive at the deductible amount, let me know and I'll email it to you.

Charitable Travel

You may still deduct local charitable mileage at 14 cents per mile, but you cannot deduct charitable travel unless there is "no significant element of personal pleasure." If you travel for a charity (a chorus, symphony, fraternal organization, etc.), you cannot deduct your expenses unless you can prove that all or most of that trip was directly related to the charitable work.

Unreimbursed Employee Business Expenses

Employee business expenses are generally no longer deductible on the federal income tax return. There are a few exceptions, and some states still allow employee expenses as itemized deductions. However keep in mind, there have been many audits of employee deductions.

Use Tax

If you made a purchase on the Internet and did not pay sales tax, you are required to pay sales tax to your state when you file your tax return.

Home equity interest and refinancing

Unless you substantially improve your home with funds from a home equity loan (or cash-out upon refinance), your mortgage interest deduction may be limited. Home equity/personal debt not used to improve your home is no longer deductible. The Tax Cuts and Jobs Act of 2017 reduced the deductibility of interest by limiting it the total loan amount on first and second homes to \$750,000. This limit is not applicable to homes purchased before the law passed.

Educator Expense Deduction

For credentialed teachers, the teacher's educator expenses deduction for 2021 \$250 (\$300 in 2022). It includes "professional development expenses". PPE and certain coronavirus expenses can also be included.

IRA conversions to Roth IRAs

Roth Conversions – if you converted any retirement funds to your Roth IRA in 2021, it cannot be recharacterized due to the Tax Cuts and Jobs Act of 2017.

Roth Conversions

Even though there is an income cap above which taxpayers cannot make contributions to a Roth IRA, all taxpayers are allowed to *convert* traditional retirement funds with tax-deferred growth to a Roth IRA that grows tax-free. Conversions are included in income during the tax year in which the conversion is completed, and must be completed no later than December 31st. Please contact me before doing a Roth conversion to discuss your individual situation.

IRA/Retirement Plans Minimum Distributions (RMD)

Normally, for those of you who are over 72 years of age, you are required to take a required minimum distribution each year. Make sure you take your distribution before 12/31/2021 for tax year 2021. The penalties for not taking the distribution are severe.

There were also changes in law regarding inherited IRA's. Some heirs will no longer be able to utilize "stretch" benefits. Instead of lifetime withdrawals, they will be required to make withdrawals within 10 years.

Alternative Minimum Tax (AMT)

The Tax Cuts and Jobs Act of 2017 increased the exemption amount and the income level at which it takes effect. This substantially reduced the number of taxpayers that must pay AMT beginning in 2018.

Estate Taxes

The exemption amount is \$11.7 million in 2021 and \$12.06 million in 2022.

Flexible Spending Accounts (FSAs), Cafeteria Plans, Section 125 Plans

If your company offers these plans, the enrollment period is often times toward the end of the year. Remember that whatever amount you elect to contribute to your plan comes out of your wages tax-free. You pay no income tax, social security tax, or Medicare tax on the amount you contribute for your projected medical expenses for 2022 (*not* including over-the-counter drugs unless you have a prescription) and/or dependent care expenses (not including overnight camps). The key to how much you elect to contribute, either for dependent care or medical expenses, is to *not* contribute more than you will spend in a calendar year, or, depending on the plan, a calendar year plus a 2 months 15 days grace period. Should you *not* spend what you contributed, you forfeit that amount for that calendar year. The IRS has recently modified the regulations to allow \$500 to be carried over to the next year. Both the grace period and the carry over are optional and plans cannot allow both.

Medicare Part B

In 2022, if you're not considered a high income taxpayer, the normal Medicare Part B premium that covers doctors' visits and outpatient procedures will be \$170.10 per month. If you're covered by Medicare and you're considered high income, you can expect a Medicare Part B surcharge. The surcharge is based on your 2020 tax return. The surcharge begins at adjusted gross income of over \$91,000 if you're single and \$182,000 if you're married. If your income decreased since 2020, you can dispute the surcharge, but you must do it right away. If you plan to dispute the charge, make sure you call the local Social Security office to file your dispute right away.

Your broker reports your tax basis to the IRS when you sell

When your broker sends you a letter that asks you to verify the basis of your investments (that's the amount you paid for the investment), make sure you look at what the broker says is your basis. If there is an error, notify your broker that the basis they reflect is not correct. A problem could occur if you have held the investment for a long time or transferred that investment to your current broker, etc.

Stock Options

Companies who issue stock options are now required to report to the IRS the grant date and the exercise price of any stock options that were exercised by employees.

Tax Credit for First Four Years of College

The American Opportunity Credit of up to \$2,500 is designed to help parents and students pay part of the cost of the first four years of college. The credit is available to a broader range of taxpayers, including many with higher incomes and those who owe no tax. Tuition, related fees, books, equipment (including laptop computers) and other required course materials generally qualify.

There are also other education deductions or credits available, including the "Lifetime Learning Credit". Feel free to discuss these with me.

Reminders for Business Filers ~

Note: The Tax Cuts and Jobs Act of 2017 added a new deduction of up to 20% for pass-through businesses taxes at individual rates (S Corp, Partnerships, Sole Proprietor). This new deduction may also apply to rental properties (if your activity rises to the level of a "Section 162" business, or in special circumstances).

Form 1099-K

Since 2011, you received Form 1099-K from the party that processes credit card payments made to your business. Originally the IRS was going to require that credit card payments be tracked and reported separately from other payments on business tax returns. The IRS has backed off on this recordkeeping requirement for the business but they will still compare the amount reported on Forms 1099-K with the total income you report on your business tax return.

Office in Home

If you have an office in home, your office must be used *exclusively* for your business and *regularly* for your business (little personal use is allowed). Also, the 1st business related trip of the day from your qualified home office is not deductible unless you qualify under special rules. It is considered part of your personal *commute*. The trips after that 1st stop of the day are deductible business miles if the stop is business related. The IRS has released a safe-harbor method to calculate Office in Home expenses which simplifies the deduction for some taxpayers.

Telephone expense

If you have a business that you operate in your home, you must have a separate business telephone line to deduct your telephone expenses. If you have a personal phone from which you make business calls, you may deduct only the business long-distance amount as telephone expense.

Business Use versus Personal Use Property Deductions

Stringent record keeping is required for auto expenses, and property known for its recreational use (or for amusement or entertainment). The IRS examines the personal use versus the business use. For instance, how much of the time do you use your camera, that is personal use as opposed to business use?

Travel and Meal Expense

In addition to a receipt, make sure you keep a log noting the name of the client, the purpose of the meeting, the cost, and who attended. Your credit card statement is not considered substantiation.

Business travel expense

Keep a log of your business mileage. Without a mileage log, no deduction is allowed. Again, keep track of the name of the client and business purpose of the meeting. Most of you use the standard mileage rate. For 2021, it is 56 cents per mile.

Forms 1099-MISC and 1099-NEC

The IRS added a new Form 1099-NEC to report nonemployee compensation. Form 1099-MISC will continue to be used for other types of income reporting (rents, royalties, etc.) If you paid more than \$600 to a business or individual for services rendered, you are required to issue Form 1099-NEC. Furthermore, some landlords are now required to file 1099's. If your rental activities rise to the level of a "Section 162" business (and hence are eligible for the 199A (Qualified Business Income Deduction), 1099's are often mandatory. Form 1099-NEC must be filed with the IRS no later than January 31, 2022. The due date is the same for paper and electronically filed forms. Forms must be mailed to the recipients no later than January 31, 2022, also. If you are required to issue the forms and do not, your deduction may be disallowed by the IRS. The IRS has increased penalties for businesses that file these forms later than the required filing deadline.

Business Inventory

The IRS continues to place an increased emphasis on the physical inventory of businesses as of December 31st each year. Make sure that if your business does have inventory, you count that inventory the last day of each year.

Sales Tax

Sales and use tax audits are increasing. In general, you must pay sales or use tax on any item you purchase that is not resold (e.g. office supplies, equipment, etc.). You must collect sales tax on any item sold to non-exempt customers. This includes items purchased online on which you paid no sales tax.

Corporate records

To avoid losing the S Corp or C Corp liability protection, make sure that your corporate records are maintained on an annual basis. S and C corporations are required to maintain minutes while LLC's have no such requirement.

2021 Tax Organizer Personal Information

Personal Information

	Name	SSN	Has IP PIN	Date of birth
Taxpayer				
Spouse				
Name of person to whom all information should be addressed, if not the taxpayer				
Street address, city, state, and ZIP				
	Occupation	Daytime phone	Evening phone	Cell phone
Taxpayer				
Spouse				
Taxpayer email				
Spouse email				

Filing status at the end of 2021

- Single
 Married
 Widowed - If widowed and your spouse died in 2021, enter the date of death _____
 Married filing separately - If married but filing separately, did you live apart from your spouse for the last six months of 2021? _____

Yes No

- Are you or your spouse blind?
 Are you or your spouse disabled?
 Are you or your spouse a full-time student?
 Do you or your spouse want to designate \$3 to go to the Presidential Election Campaign Fund?
 At any time during 2021 did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency?
 If you were 18 years of age, or under 24 and a student, at the end of 2021, were you in foster care on or after turning 14 years of age and agree this status can be disclosed to the IRS?
 If you were 18 years of age, or under 24 and a student, at the end of 2021, were you homeless or at risk of becoming homeless and supporting yourself?
 Was your earned income in 2021 less than your earned income in 2019?
 If "Yes," enter the amount of your 2019 earned income. _____
 Did you receive the third stimulus payment (Economic Impact Payment or EIP) in 2021?
 If "Yes," enter the amount received for each taxpayer and provide Notice 1444-C or Letter 6475 from the IRS.
 Taxpayer _____ Spouse _____

Identification Information

Taxpayer's type of photo ID

- Driver's license
 State-issued photo ID

Photo ID number _____

State photo ID was issued _____

Date photo ID was issued _____

Date photo ID expires _____

Spouse's type of photo ID

- Driver's license
 State-issued photo ID

Photo ID number _____

State photo ID was issued _____

Date photo ID was issued _____

Date photo ID expires _____

Account Information for Deposits and Withdrawals

Name of bank	Bank routing number	Bank account number	Type of account		Use this account for	
			Checking	Savings	Deposits	Withdrawals

Appointment Information

Your 2021 appointment is scheduled for _____

Dependent and Other Information

Name: _____

SSN: _____

Dependent Information

First and last name SSN	Has IP PIN	Relationship	Months in home	Date of birth	Disabled	Full- time student	Childcare Expenses

List dependents required to file a return _____

Yes **No**

Did you receive advance payments of the Child Tax Credit from the IRS at any time from July through December 2021?

If "Yes," enter the amount each taxpayer received and the number of children taken into account to determine the amount received as shown on IRS Letter 6419, box 2. Or, provide Letter 6419 from the IRS.

Taxpayer _____

Spouse _____

If you were married last year and filed a joint return with your spouse, are you filing a joint return with the same spouse this year?

Estimates

	Federal		Resident State		Resident City	
	Date paid	Amount	Date paid	Amount	Date paid	Amount
Overpayment applied from 2020	_____	_____	_____	_____	_____	_____
First quarter	_____	_____	_____	_____	_____	_____
Second quarter	_____	_____	_____	_____	_____	_____
Third quarter	_____	_____	_____	_____	_____	_____
Fourth quarter	_____	_____	_____	_____	_____	_____
Additional payments	_____	_____	_____	_____	_____	_____

2021 Information Pertaining to the American Rescue Plan Act (ARPA)

On March 11, 2021, the President of the United States signed into law the American Rescue Plan Act (ARPA) that authorized a third round of stimulus payments and advanced payment of the Child Tax Credit. The IRS issued notices that provided the amounts you received for these payments. This information is necessary to accurately complete your 2021 individual tax return. Information provided below explains what notice you received and how to obtain the information if you no longer have the notice or have yet to receive a letter.

Stimulus Payment (Economic Impact Payment (EIP))

The third round of EIP or stimulus payments began mid-March 2021. Individuals could have received up to \$1,400 (\$2,800 for married couples filing a joint return). Qualifying dependents may have also received \$1,400. Unlike the first two payments, EIP3 was not limited to children under 17. Families may have received the payment based on all of the qualifying dependents claimed on the tax return. Most families received \$1,400 per person, meaning, a single person with no dependents may have received \$1,400 while a family of four may have received \$5,600. Notice 1444-C was sent following the payments and Letter 6475 will be issued in January 2022 with a combined total.

If you no longer have Notice 1444-C, or have not received Letter 6475, log in to your IRS Online Account to get the accurate amount of EIP3 received.

1. Go to [irs.gov](https://www.irs.gov).
2. Select "View Your Account Information."
3. Select "Log in to your Online Account" and follow the prompts provided.

Advance Child Tax Credit Payments

Under ARPA, the maximum amount for the Child Tax Credit (CTC) was increased from \$2,000 to \$3,600 for each child 5 years old and under. For children ages 6 - 17, the maximum increased to \$3,000. In July 2021, eligible families that did not opt out began receiving advanced CTC payments up to \$300 per month for each child age 5 and under and up to \$250 for each child between the age of 6 and 17. IRS will issue Letter 6419 to provide the amount received per taxpayer and how many children were taken into account to determine the amount received.

If you no longer have Letter 6419, or have not yet received it, follow the directions above to log in to your online account to access the Child Tax Credit Update Portal or log directly in to the portal using the instructions below. For married couples filing a joint return, the taxpayer and spouse will both need to log in to get the amount apportioned to each taxpayer.

1. Go to [irs.gov](https://www.irs.gov).
2. Select "Child Tax Credit Update Portal."
3. Select "Manage Advance Payments" and follow the prompts provided.

TAX DOCUMENT CHECKLIST

NAME: _____

2021 TAX YEAR

QUESTIONS	Y/N	IF YES, DOCUMENTS OR INFORMATION NEEDED
WILL YOU BE FILING ELECTRONICALLY.		COPY OF DRIVER'S LICENSE FOR TAXPAYER AND SPOUSE OR DL#, DATE OF ISSUE AND EXPIRATION. (NEW FOR IRS SECURITY).
IF YOU HAVE A REFUND DUE WOULD YOU LIKE IT DIRECTLY DEPOSITED TO YOUR BANK ACCOUNT?		VOIDED CHECK.
IF YOU HAVE A BALANCE DUE WOULD YOU LIKE IT DIRECTLY DEBITED TO YOUR BANK ACCOUNT?		VOIDED CHECK.
DID ANOTHER FIRM PREPARE YOUR TAX RETURN LAST YEAR?		COPY OF MOST RECENT TAX RETURN & TWO PRIOR YEARS, IF AVAILABLE.
DID YOU PAY ESTIMATED TAXES OR MAKE PAYMENTS ON PRIOR TAX YEARS?		AMOUNTS & DATES OF PAYMENTS.
DID YOUR MARITAL STATUS CHANGE FROM THE PREVIOUS YEAR?		PRIOR YEAR RETURN OF BOTH SPOUSES (IF NOT PREPARED BY US). COPIES OF LEGAL DOCUMENTS.
DID YOU PAY OR RECEIVE ALIMONY?		NAME & SSN OF PAYOR/PAYEE. AMOUNTS & DATES OF PAYMENTS.
HAVE THERE BEEN ANY CHANGES TO YOUR DEPENDENTS?		PLEASE REVIEW ENCLOSED DEPENDENT INFORMATION SHEET.
DID YOU PAY CHILD CARE OR DISABLED SPOUSE CARE EXPENSES?		NAME, ADDRESS, PHONE #, & TAX ID# OF PROVIDER. AMOUNTS PAID FOR EACH DEPENDENT.
DID YOU PAY EDUCATIONAL EXPENSES FOR YOU, YOUR SPOUSE, OR DEPENDENT?		IRS FORMS 1098-T FOR TUITION PAID & 1098-E FOR INTEREST PAID. EXPENSES FOR BOOKS, SUPPLIES, ETC.
DID ANY OF YOUR DEPENDENT CHILDREN HAVE INCOME?		W-2'S, 1099'S, ETC. DUE TO THE HEALTH CARE ACT YOUR DEPENDENTS SHOULD NOT FILE A RETURN ON THEIR OWN.
DID YOU HAVE ACA COMPLIANT HEALTH INSURANCE FOR EACH MEMBER OF YOUR HOUSHOLD ALL YEAR?		FORMS 1095-A, 1095-B, 1095-C. EXEMPTION CERTIFICATE NUMBER. COMPLETE ACA QUESTIONNAIRE IN ORGANIZER.
DID YOU MOVE MORE THAN 50 MILES?		DATE, DISTANCE, & EXPENSES OF MOVE FOR TRAVEL, LODGING, & TRANSPORTATION OF HOUSEHOLD GOODS.
WERE YOU UNEMPLOYED AT ANYTIME DURING THE YEAR?		STATE FORM 1099-G, AMOUNT & SOURCE OF DISABILITY PAYMENTS.
DID YOU START OR END A SMALL BUSINESS?		FORMATION OR TERMINATION DOCUMENTS, LIST OF PROPERTY CONTRIBUTIONS OR DISTRIBUTIONS.
DO YOU HAVE PROPERTY FOR WHICH YOU RECEIVED RENTAL INCOME?		INCOME, EXPENSES, ESCROW DOCS FROM PURCHASE, REFI, OR SALE OF PROPERTY, PPTY MANAGER STATEMENTS.
WERE YOU SELF-EMPLOYED OR AN INDEPENDENT CONTRACTOR?		INCOME, EXPENSES, PURCHASE & SALE OF ASSETS, MILEAGE LOG.
WERE YOU A PARTNER IN A PARTNERSHIP OR A SHAREHOLDER IN AN S-CORPORATION?		FORM K-1, AMOUNT OF UNREIMBURSED EXPENSES, KNOW YOUR CURRENT BASIS.
DID YOU CONTRIBUTE TO A RETIREMENT PLAN, CONVERT AN IRA TO A ROTH IRA, OR COMPLETE A ROLL-OVER?		IRS FORMS 1099-R & 5498, LIST DATES & AMOUNTS OF CONTRIBUTIONS.
DID YOU RECEIVE U.S. OR FOREIGN SOCIAL SECURITY BENEFITS?		IRS FORM 1099-SA, DATES OF AMOUNTS OF FOREIGN PAYMENTS.
DID YOU RECEIVE INTEREST OR DIVIDENDS?		IRS FORMS 1099-INT & 1099-DIV.
DID YOU SELL ANY STOCK, BONDS, ETC.		IRS FORM 1099-B, PURCHASE & SALE CONFIRMATIONS, YEAR END BROKERAGE STATEMENT, KNOW YOUR BASIS.
DID YOU SELL, PURCHASE OR REFINANCE ANY REAL ESTATE?		IRS FORM 1099-S, ESCROW DOCUMENTS, DOCUMENT USE OF ANY PROCEEDS.

QUESTIONS	Y/N	IF YES, DOCUMENTS OR INFORMATION NEEDED
DID YOU RECEIVE ANY INCOME FROM AN INSTALLMENT SALE?		DATE OF SALE, CONTRACT PRICE, LOAN TERMS, PAYMENTS RECEIVED.
DID YOU RECEIVE ANY INCOME FROM FOREIGN SOURCES?		SOURCE, NATURE, DATES AND AMOUNTS RECEIVED.
DID YOU RECEIVE A GIFT OR INHERITANCE?		FORM K-1, DETAIL ITEMS RECEIVED.
DID YOU RECEIVE A LAWSUIT SETTLEMENT AWARD?		IRS FORM 1099-MISC, LEGAL DOCUMENTS, DATES & AMOUNTS OF ATTORNEY FEES PAID.
DID YOU HAVE ANY LOTTERY OR GAMBLING WINNINGS?		IRS FORM W-2G, AMOUNTS OF WINNINGS & LOSSES.
DID YOU HAVE MEDICAL EXPENSES?		AMOUNTS PAID FOR HEALTH, LONG-TERM CARE, & DENTAL INSURANCE, DRUGS, OPTICAL, CHIROPRACTIC, ETC...
DID YOU PAY TAXES ON REAL OR PERSONAL PROPERTY?		DMV STATEMENTS, PROPERTY TAX BILLS, ESCROW DOCUMENTS.
DID YOU PAY TAXES TO A FOREIGN GOVERNMENT?		AMOUNTS & DATES PAID, COUNTRY, NATURE OF FOREIGN INCOME.
DID YOU PAY MORTGAGE, INVESTMENT, OR BUSINESS INTEREST?		IRS FORM 1098, DOCUMENT USE OF LOAN PROCEEDS, END OF YEAR LOAN STATEMENT.
DID YOU PAY MORTGAGE INSURANCE PREMIUMS?		AMOUNTS PAID.
DID YOU MAKE CHARITABLE DONATIONS OF CASH, PROPERTY, OR HAVE VOLUNTEER EXPENSES?		<u>IRS FORMS 1098-C, CHARITY RECEIPTS, DETAILED DOCUMENTATION OF ITEMS DONATED (CRITICAL).</u>
DID YOU PAY EXPENSES REQUIRED BY YOUR EMPLOYER FOR WHICH YOU WERE NOT REIMBURSED?		AMOUNTS PAID FOR TRAVEL, EDUCATION, SUPPLIES, ETC...
DID YOU PAY IRA CUSTODIAL FEES?		AMOUNTS PAID, IRA ACCOUNT STATEMENT.
DID YOU PAY EXPENSES RELATED TO YOUR INVESTMENT INCOME?		AMOUNTS PAID FOR COUNSEL FEES, MANAGEMENT FEES, CUSTODIAL FEES, TRANSFER TAXES, ETC...
DID YOU PAY UNION OR PROFESSIONAL DUES?		AMOUNTS PAID.
WERE YOU AUDITED OR DID YOU RECEIVE IRS OR STATE CORRESPONDENCE?		COPIES OF CORRESPONDENCE, AUDIT REPORTS, RELATED TAX RETURNS.
DID YOU HAVE AN INTEREST IN OR SIGNING AUTHORITY OVER A FOREIGN ACCOUNT?		MAX BALANCE OF ACCOUNT, COUNTRY, ACCOUNT NAME, NUMBER, AND ADDRESS.
DID YOU PAY ANY COMPENSATION TO INDEPENDENT CONTRACTORS AS PART OF YOUR BUSINESS ACTIVITY?		COPIES OF 1099'S OR NAMES, ADDRESSES, SSNS, & AMOUNTS PAID.
DID YOU PURCHASE ANYTHING ONLINE OR FROM OUT OF STATE FOR WHICH YOU DID NOT PAY SALES TAX?		AMOUNTS & DATES PURCHASED.
DID YOU MAKE ANY GIFTS OF CASH OR PROPERTY TO ANY ONE INDIVIDUAL EXCEEDING \$15,000?		NAMES, ADDRESSES, SSNS, & AMOUNTS OR DETAIL OF PROPERTY GIVEN.
HAVE YOU GONE THROUGH A FORECLOSURE OR SHORT-SALE OR ANTICIPATE DOING SO?		IRS FORMS 1099-A & 1099-C, ESCROW DOCUMENTS, LOAN STATEMENTS.
HAVE YOU FILED FOR BANKRUPTCY?		COURT DISCHARGE PAPERS.
DID YOU USE A VEHICLE FOR BUSINESS, MEDICAL, MOVING, OR VOLUNTEERING?		DETAILED MILEAGE FOR EACH USE. FOR BUSINESS USE I ALSO NEED TO KNOW TOTAL MILEAGE FOR EACH VEHICLE.