

Tax Information Needed To Prepare Your 2020 Returns

This income tax preparation checklist is divided into relevant categories to help you organize your tax information. **Please bring a copy of your 2020 1040 federal tax return.**

Personal Information

Social Security Numbers and dates of birth for new customers only

- Yours

- Your Spouse's

- Dependents'

Your home, work and cell phone numbers

Your Driver's license Number
State issued
Date issued
Expiration Date

Your Spouse's Driver's license Number
State issued
Date issued
Expiration Date

How much Stimulus did you receive in 2020?

Childcare Costs

- Childcare provider's name and amount paid

- Provider's address and phone number

- Provider's 9 digit EIN tax ID or Social Security number

Education Costs

- Receipts for tuition, books and fees for post-high school education
- Form 1098-T that your child received

Income Information

- Forms W-2 from all employers for you and your spouse

Investment Income

- Interest income - Form 1099-INT
- Dividend income - Form 1099-DIV
- Proceeds from the sale of stocks, bonds, etc. - Form 1099-B
- Brokers' statements to ascertain **cost basis** for all securities that you sold
- Schedule K-1 (Form 1065) from investments in partnerships
- Schedule K-1 (Form 1120S) from investments in S Corporations
- Schedule K-1 (form 1041) from trust income
- Income from foreign investments: Amount of foreign taxes paid (you can find this on the brokers' statements)

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- Income from stock option exercises and sales:
 - Stock option agreement (showing type of options you received)
 - Stock option statement showing exercise prices of options
 - Form 1099-B for proceeds from stock sales
 - Sale of employee stock purchase plan shares:
 - Form 1099-B for proceeds from stock sales
 - Stock price on grant date
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- Stock price on purchase date
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- If the stock sale occurred before qualifying period began, Form W-2 showing "compensation income" from a disqualifying disposition
 - If you bought stock in January 2020 that you sold in December 2020 please bring in the confirmation statements since it may be a wash sale which will affect your basis.

Income from State and Local Income Tax Refunds

- Form 1099-G from state or local governments
- State income tax return from 2019, if any
- City or local income tax return from 2019, if any

Alimony Received

- Divorce Decree dated before Dec 31, 2020 and record of deposits made in 2020

IRA/Pension Distributions

- Form 1099-R for payments from IRAs or retirement plans
- Account summary form for the year for your IRA accounts
- 2020 contribution records
- If you received a distribution from an IRA account, the most-recently filed Form 8606 (if you made contributions in prior years to IRAs that weren't deductible on your income tax return)

Rental Property Income

- Profit and loss statements from your property manager, or
- Form 1099-MISC or other records for rental income for each property

The following expense categories totaled *for each property*:

1. Mortgage interest and PMI reported on Form 1098
2. Real Property tax payments from Form 1098 or tax assessor's bill or cancelled checks
3. Repairs
4. Supplies
5. Insurance
6. Mileage or auto expense or travel
7. Utilities including gas, electric and water and sewer.
8. Cable TV and Telephone and Internet
9. Landscaping
10. Annual Inspection fee and rental license.
11. Fixed asset schedule for showing cost basis and accumulated depreciation.
11. Record of suspended rental losses from prior years that can be found in your 2019 1040.

Unemployment Income

- Form 1099-G from your state unemployment agency

Social Security Benefits

- Form SSA-1099

Income From Sales of Property

If the property was sold in 2020:

- Sales proceeds from Sales Agreement or settlement sheet
- Cost of the property you sold from Settlement sheet
- Improvements to the property including construction contracts and repair bills
- If the property was sold at a profit before 2020 on the installment basis:
- Form 6252, Installment Sales from previous tax year's return

Miscellaneous Income

- Jury duty pay records;
- Form(s) W-2G for gambling and lottery winnings;
- Receipts for all gambling losses or loss report from Casino;
- Form 1099-MISC for prizes and awards you received;
- Form 1099-MSA for distributions from medical savings accounts;
- Director's fees receipts for serving on a corporate board of directors;
- Form 1099-C Forgiveness of Debt income;
- Sales and cost basis information for all crypto currency sold in 2020.

Adjustments

IRA Contributions

- Year-end account summary or bank statements to see what traditional IRA contribution was.

Student Loan Interest

- Form 1098-E showing interest paid

Medical Savings Account Contributions

- Account statements or
- Cancelled checks for employee contributions

Self-employed Health Insurance

- Insurance premium bills, or Cancelled checks totaled

SEP, SIMPLE, and Other Self-employed Pension Plans

- Year-end account summary showing 2020 contributions, or
- Cancelled checks totaled

Alimony Paid if your divorce was final before December 31, 2020

- Cancelled checks and social security number of the spouse you paid

Educator Expenses

- Cancelled checks for expenses paid for classroom supplies, etc.

Itemized Tax Deductions

Interest You Paid

Home mortgage interest and points reported on form 1098:

- Your settlement sheet (HUD -1) if you refinanced your home and are deducting points and taxes paid at settlement.

Investment interest expense:

- Form 1099 or Year-end Brokers' statements showing margin interest paid
- Loan statements for loans taken out to purchase investments

Charitable Donations

Cash donations:

- Charity receipts, letter from your church or cancelled checks
- Records of the mileage incurred for charitable purposes (such as Boy Scouts).

Donations of Property:

- Receipts from charitable agency showing the estimated value of property given.
- Prior years' tax returns if you have unused charitable contributions (carryovers) from earlier years.
- December 31 Year-end paycheck stub if donations were paid through your employer.

Casualty and Theft Losses

- Description of property damaged or stolen
 - Receipts or cancelled checks showing cost of property
 - Insurance policy and insurance reports showing reimbursement
 - Appraisal fees if applicable
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Medical and Dental Expenses

- Medical bills or cancelled checks totaled for 2020
- Form SSA-1099 for Medicare premiums paid from your social security benefits
- Year-end pay stub if premiums were paid through your wages but only if the deductions were after-tax
- Payments for Long Term Care Insurance are deductible as a medical expense based on your age.
- If you or anyone in your household enrolled in a health plan through the Health Insurance Marketplace in 2020, you'll get **Form 1095-A**. If you do not have the form

you can call the Marketplace at 1-800-318-2596. If you do not have health insurance and do not have a waiver you will have to pay a penalty tax based on your income.

Taxes

State and Local Income Taxes

- 2019 state and **local income tax returns**
- Forms W-2
- Cancelled checks for quarterly state estimates paid

Real Estate Taxes

- Tax collector bills and cancelled checks if applying for PA Property Tax Rebate
- Form 1098, and closing statement if you bought, sold, or refinanced property in the current year

Personal Property Taxes

- Tax bills and cancelled checks
- Automobile licensing bills, if fees are charged annually based on value

Information on Household Employees

- Wages paid during 2020 from W-3 _____
- Employee's Social Security number _____

Tax Payments

- Quarterly estimated tax payments - Records showing the date paid and amount paid for both federal and state.
- If you applied a tax overpayment from 2015 to 2020 from your 2015 tax return
- If you filed or plan on filing extensions for your 2020 tax return - Cancelled checks for payments you made with the extension

Direct Deposit Information - If you want your tax refund deposited directly into your bank account, you need 2 things:

1. Routing number from the lower left side of your check _____
2. Bank account number _____

Business Income if you are Self Employed, Incorporated or are an LLC

- Gross Receipts Journal listing annual Gross Revenue and including credit card sales listed separately on form 1099-K and all form 1099-Misc received

- Payroll records – forms W-3 and all W-2's

In addition you will need:

- Invoices for major purchases of machinery, equipment, furniture
- Logs or other records listing date, vehicle mileage and clients visited

List the total spent on the following expense categories broken down as follows:

Accounting, legal and professional fees;

Advertising;

Car expense need total miles driven, business miles plus parking and tolls including business log with date, miles driven, business purpose and destination *or* total miles driven, actual fuel invoices, insurance, repairs and total miles driven and business miles plus parking & tolls;

Fixed Asset - If you bought a vehicle, computer, equipment, office furniture or placed it in service during the tax year, even if you already owned it, bring in the purchase invoice so we can expense it under IRC Sec. 179;

W-3 – Salaries that your company paid to others. List officer and shareholder salary separately, It also has the employer share of employment taxes like FICA and FUTA;

Commissions or fees paid to other contractors, Get them to fill in W-9 if not incorporated so we can issue them a 1099;

If you already issued them a 1099, bring in the 1096 - showing total independent contractors paid.

Insurance but list health insurance separately;

Supplies;

Materials or Purchase of inventory for resale;

Travel, Hotel, Airfare and Car Rental;

Meals (need date, place, person entertained and business purpose) Only need receipt if you pay more than \$75.00 and have a day timer, If you do not have a day timer or digital calendar (such as Outlook or Google Calendar) then you need a receipt for everything;

Telephone include local, long distance, fax and mobile;

DSL, cable and internet charges;

Postage, FedEx or UPS;

Continuing education and business seminars and conferences;

Interest expense paid on business loans and provide year end balances;

Rent for office space or equipment;

Utilities like electricity, oil, water or gas.

Total state sales tax paid if you included it in gross sales receipts.

If You Use Your Home for Business

- Total rent paid if your home is rented
- Invoices for repairs and maintenance on your house
- Utility bills

Beginning in 2013, the Internal Revenue Service allowed home-based businesses to figure their deductions for the business use of their homes using a new optional deduction. The new deduction is capped at \$1,500 per year based on \$5 a square foot for up to 300 square feet. The new option provides eligible taxpayers an easier path to claiming the home office deduction as opposed to doing complex calculations of allocated expenses, depreciation and carryovers of unused deductions. Though these homeowners using the new option cannot depreciate the portion of their home used in a trade or business, they can claim allowable mortgage interest, real estate taxes and casualty losses on the home as itemized deductions on Schedule A. These deductions need not be allocated between personal and business use, as is required under the regular method.