

2021 TAX ESSENTIALS LETTER

IT'S TAX TIME AGAIN...

Once again, it's time to file and pay your taxes. Your mailbox should be filling up with the information you will need to get the job done.

This letter is full of information designed to help you prepare your tax documents so you will pay only the tax that you rightfully owe.



Time to get organized

The following checklist will help you collect the documents needed to file your tax return.

- ☐ Your last 3 years' tax returns (*new clients*).
- ☐ Social Security numbers and dates of birth for taxpayers, spouses and dependents.
- ☐ Copy of Driver's License for taxpayer and spouse.
- ☐ W-2 Forms.
- ☐ 3rd Economic Impact Payment ('stimulus'). Bring IRS Letter 6475 and/or 1444-C.
- ☐ Advance payments of the Child Tax Credit received in 2021 (bring IRS Letter 6419).
- ☐ Your last paycheck stub of the year (for each job).
- ☐ 1099 Forms for interest, dividends, sales, retirement, Social Security, self-employment, and unemployment. « Remember to download and print statements from online accounts that don't send paper tax forms.
- ☐ Property tax statements.
- ☐ Forms 1098 for mortgage interest.
- ☐ Foreign accounts. Bring statements. Such assets must be disclosed even if they do not generate income.
- ☐ Purchase and sale information, including dates, relating to anything sold.
- ☐ Stock options. Form 1099-B and 'supplemental' brokerage statements showing amounts already reported as income on form W-2.
- ☐ Cryptocurrency. Bring details including dates, proceeds, and original cost.
- ☐ Child care provider information (name, address, SS#, amount paid). Required even

if you have a daycare flex account at work.

- ☐ Names, addresses, and Social Security numbers from whom you received interest, or to whom you paid interest.
 - ☐ Bankruptcy or divorce papers (if applicable).
 - ☐ If you paid an individual \$600 or more for services in connection with your business, please provide their name, address, and tax ID#.
 - ☐ Records showing income and expense for business and/or rental property you own. Records of business and personal mileage are required for automobile deductions.
 - ☐ Form K-1 if you have an interest in a Partnership, S-Corporation, Estate or Trust.
 - ☐ IRA year-end statements.
 - ☐ Bring details for **all** other income, whether you think it's taxable or not. Examples may include foreign income, barter, hobby, settlements, awards/prizes, gambling, etc.
 - ☐ Forms 1098-T for post-secondary tuition payments are sent to the student. If the student is your dependent you must get it from them.
 - ☐ Forms 1099-Q for education savings plan distributions.
 - ☐ Estimated taxes paid (including amount and date of each separate payment).
 - ☐ Student loan interest forms 1098-E.
 - ☐ Adoption costs if applicable. Also bring the legal adoption documents.
 - ☐ Form 1098-C for donations of automobiles or boats.
 - ☐ Details for charitable donations. Bring receipts. For noncash donations totaling
- over \$500 include date, place, fair market value, and original cost.
- ☐ If you purchased a new electric plug-in vehicle, bring the year, make and purchase date.
 - ☐ If you installed solar or geothermal systems for your home or cabin bring receipts.
 - ☐ Noncustodial parents claiming children need a signed IRS Form 8332 to claim the child.
 - ☐ If debts were forgiven, bring Form 1099-C or 1099-A.
 - ☐ If you bought, sold, or refinanced a home bring the closing papers.
 - ☐ Forms 1099-K for internet or credit card sales.
 - ☐ Health Savings Account (HSA) contributions and distributions. Bring forms 5498-SA and 1099-SA.
 - ☐ Form(s) 1095 for health insurance.
 - ☐ Out of pocket medical expenses may be deductible (if large). Bring details.
 - ☐ Form 1099-LTC for long-term care policy benefits paid.
 - ☐ Pandemic related business assistance. Bring details related to PPP loans and/or Employee Retention Credits.
 - ☐ Bring a voided check for direct deposit of any refunds you expect to receive.

