

Coastal Income Tax Services

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TAX CHECKLIST

If you obtained your health insurance through Covered California or another "Exchange Provider" you should receive a Form 1095-A. ***It is imperative that you provide it so your return can be completed properly. If you have not received the form, contact Covered California or your provider and request the form.*** For more information on this subject on this, please refer to page 14 of this Checklist.

This Checklist is designed to guide you through most of the issues commonly faced by taxpayers. The use of this Checklist will result in your tax returns being prepared in the most thorough and accurate manner. Further, you can take advantage of several tax breaks and avoid oversights often resulting in "communication" from taxing authorities.

A good approach to using this Checklist is to start with page 2 and see what items apply to you. You will likely find that, while the list of items looks ominous, you may only need a few of the documents. As you go through the Checklist, please complete all the areas which pertain to you.

Please feel free to ask any additional questions on a separate piece of paper.

If you need an additional Checklist, please go to our website, www.coastaltaxsba.com, and click on "Tax Checklist" to print additional copies.

You may wish to supply your own supplemental statements in those instances where this Checklist does not provide enough space or when you have already compiled your information in a slightly different format.

Before you get started, a few quick items to note:

- ***ROUNDING:*** Please round all figures to the nearest dollar.
- ***DIRECT DEPOSIT OF REFUND:*** If you anticipate a refund, it can be deposited directly into your checking account. If you wish to use Direct Deposit, please bring or send a copy of a check (not a deposit slip) so we can determine your correct bank, routing number and account number.
- ***HELPFUL TO BRING:*** A recent paycheck stub and your check register(s).
- ***LAST YEAR'S TAX RETURN:*** Please bring a copy of last year's Income Tax Returns if they were **NOT** prepared by Coastal Income Tax.

Important Documents

We want to make every effort to ensure your tax return is not examined as a result of inconsistent reporting. Therefore, please bring (or send) the following:

IF YOU:

THEN, BRING (OR SEND) THIS:

- Had income from wages, salaries or tips *W-2 Form (all copies)*
- Earned interest (bank, credit unions, brokerage accts) *1099-INT Form*
- Earned dividends (stocks, mutual funds, etc.) *1099-DIV Form*
- Received a tax refund from the State *1099-G Form*
- Sold stocks, bonds, mutual funds, treasuries *1099-B Form (also see page 4 of this Checklist)*
- Withdrew money from an IRA (including rollovers) *1099-R (all copies)*
- Converted a traditional IRA to a Roth IRA *1099-R*
- Received a pension or annuity *1099-R (all copies)*
- Received Social Security benefits *SSA-1099 Form*
- Received unemployment compensation *1099-G Form*
- Had lottery or gambling winnings *1099-G Form*
- Received income from a partnership, S-Corp or LLC *K-1 Form*
- Received income from an estate or trust *K-1 Form*
- Were self-employed *All 1099 NEC Forms you received*
- Had miscellaneous income (royalties, prizes, etc.) *1099-MISC Form*
- Received accelerated death benefits (terminally ill) *1099-LTC Form*
- Received rents from real estate *See page 8 of this Checklist*
- Paid interest on a home mortgage (banks, etc.) *Form 1098 (all lenders)*
- Paid interest on your home to the seller *Name, address & Social Security # of seller*
- Received interest from a seller-financed mortgage *Name, address & Social Security # of payor*
- Sold real estate (personal, rental or investment) *Settlement statements for both the purchase and sale of the property sold*
- Purchased real estate *Settlement statement for the property purchased*
- Refinanced property or took out an equity loan *Settlement statement for the new loan*
- Were foreclosed upon *1099-A Form and 1099-C Form (if applicable)*
- Contributed to a Medical or Health Savings Account *5498-MSA Form*
- Paid interest on a student loan *1098-E Form (also see page 12 of this Checklist)*
- Paid tuition and fees for post-secondary education *1098-T Form (also see page 12 of this Checklist)*
- Donated a car, boat or airplane to charity *Form 1098-C*
- Have ACA health insurance supplement *Form 1095-A (also see page 14 of this Checklist)*
- Received something and have no idea what it is!! *Bring it along for diagnosis*

Personal Information

NAME

Yours _____

Spouse _____

STOP!!! If you are a returning client, and the information in the shaded areas below is the same as last year, you do not need to complete these shaded areas.

SOCIAL SECURITY NUMBER:

Yours _____ Spouse _____

OCCUPATION:

Yours _____ Spouse _____

BIRTHDATE:

Yours _____ Spouse _____

LEGALLY BLIND?

You YES NO Spouse YES NO

ADDRESS

TELEPHONE NUMBER(S)

Home _____ Work _____ Cell _____

Email address: _____

DEPENDENTS:

Name (first & last)	Date of Birth	Social Security Number	Relationship
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

All dependents must have Social Security numbers (no exceptions)

NON-CALIFORNIA RESIDENTS (all or part year)

If you or your spouse lived outside of California for any part of the year, please provide the following information:

I (we) moved from (state) _____ on (date) _____
to (state) _____ on (date) _____.
The county I (we) lived in was _____.

IRA CONTRIBUTIONS

How much have you or your spouse contributed, or intend to contribute, to a traditional IRA (not a 401k, 403b or Roth IRA) for the calendar year

You \$ _____ When? _____
Spouse \$ _____ When? _____

FOREIGN FINANCIAL ACCOUNTS? If yes, what country? _____ See Page 13 for more info.

Stimulus payment received \$ _____ (ranges from \$2400, \$1,200 to zero)

Miscellaneous Information

1. ESTIMATED TAX PAYMENTS

If you made estimated tax payments for the year, list the dates and amounts below.

	Date Paid	Federal	State
Due in April	_____	\$ _____	\$ _____
Due in June	_____	\$ _____	\$ _____
Due in Sept	_____	\$ _____	\$ _____
Due in Jan next year	_____	\$ _____	\$ _____

Overpayment applied from previous return \$ _____ \$ _____
 (I have this amount for returning clients)

2. OTHER INCOME

If you received income from any of the following, please list the amount:

Alimony \$ _____ **Date Divorce was finalized** _____
 Royalties \$ _____ Jury Duty \$ _____ Other \$ _____

Note: Income received from bank interest, dividends, social security, rents, trusts, pensions, etc. should **not** be listed here. See page 2 for documents related to these types of income.

3. SALES OF STOCKS, BONDS, MUTUAL FUNDS OR COMMODITIES

If you sold any stocks, bonds, mutual funds, commodities or other securities **please provide Form 1099B**. Do not include sales of IRA investments or rollovers.

Use the lines below if the 1099B does not include both the sale and purchase prices.

Use the lines below if you sold other investment property – Land, Cyber Currency, Art, etc.

<u>Description</u>	<u># of Shares</u>	<u>Date Bought</u>	<u>Date Sold</u>	<u>Sales Proceeds*</u>	<u>Total Cost *</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

* Commissions should be added to the Total Cost

Deductions

MEDICAL EXPENSES (Must amount to 10% of your income to be deductible)

For you, spouse, dependents and registered domestic partner.

- 4a. Prescription medicines and drugs \$ _____
- 4b. Doctors, dentists and nurses \$ _____
- 4c. Hospitals and nursing homes \$ _____
- 4d. Health insurance premiums (incl. dental & vision/NOT Medicare) \$ _____
- 4e. Long-term care (nursing home) insurance premiums - you \$ _____
- 4f. Long-term care (nursing home) insurance premiums – spouse \$ _____
- 4g. Overnight lodging costs for medical attention (Also # of nights) \$ _____
- 4h. Medical transportation costs (airplane, taxi, bus, etc.) \$ _____
- 4i. Number of miles driven for medical attention _____
- 4j. Other medical expenses (such as):
 - X-Rays/Labs \$ _____ Ambulance \$ _____
 - Eye Glasses \$ _____ Therapists \$ _____
 - Clinics \$ _____ Counselors \$ _____
 - Chiropractors \$ _____ Saline \$ _____
 - Weight Loss-not food \$ _____ Other \$ _____
- 4k. Insurance reimbursements (if any) included in the above amounts \$ _____

TAXES (do not include taxes withheld on your W-2)

- 5a. Additional State taxes paid with your previous year's tax return \$ _____
- 5b. Property taxes paid on your personal residence \$ _____
- 5c. Property taxes paid on your second home (not rental property) \$ _____
- 5d. Taxes paid on vacant land or other non-rental property \$ _____
- 5e. Personal property taxes paid (boat, airplane, etc.) \$ _____
- 5f. Sales tax paid on vehicle/boat/airplane \$ _____
- 5g. DMV Registration Taxes listed as "May be tax Deductible" on form \$ _____
Please provide DMV renewal forms, new vehicle purchase contract.

MORTGAGE INTEREST

- 6a. Home mortgage interest paid to financial institutions
(Please provide Forms 1098)
 - 1st Trust \$ _____
 - 2nd Trust \$ _____
 - Equity Loan \$ _____
- 6b. Private Mortgage Insurance (PMI) \$ _____
- 6c. Home mortgage interest paid to individuals \$ _____
 Recipient's name _____
 Recipient's address _____
 If seller financed, Social Security # _____
- 6d. Interest paid on your 2nd home or land (if rental property, see page 8) \$ _____

CHARITABLE CONTRIBUTIONS (not political)

In order to assist you as to the types of backup the IRS is looking for, I have provided a guide on page 14 of this Checklist.

- 7a. Number of miles driven for charitable or volunteer purposes _____
- 7b. Out-of-pocket expenses for charitable or volunteer purposes \$ _____
- 7c. Charitable contributions paid by cash, check or credit card \$ _____
- 7d. Charitable contributions made through automatic payroll deduction \$ _____
- 7e. Non-cash charitable contributions made (clothes, furniture, etc.)
 - Donated to: _____ Value \$ _____
 - Donated to: _____ Value \$ _____
 - Donated to: _____ Value \$ _____

See Page 13 if total value exceeds \$500

Deductions (continued)

MISCELLANEOUS (Only Impacts State Tax Return)

- 8a. Union dues \$ _____
- 8b. Professional dues \$ _____
- 8c. Tax preparation or tax consulting fees \$ _____
- 8d. Investment-related expenses (publications, fees, telephone, Internet, etc.) \$ _____
- 8e. IRA fees (if paid by separate check) \$ _____
- 8f. Safe deposit box rent \$ _____

EDUCATIONAL EXPENSES (for job improvement only) (Only Impacts State Tax Return)

- 9a. Tuition, fees and registration \$ _____
- 9b. Books and supplies \$ _____
- 9c. Parking at school \$ _____
- 9d. Number of miles driven for educational purposes _____

JOB HUNTING EXPENSES (Only Impacts State Tax Return)

- 10a. Resume preparation, printing and mailing \$ _____
- 10b. Employment agency fees \$ _____
- 10c. Long distance telephone expenses \$ _____
- 10d. Travel costs and lodging \$ _____
- 10e. Meals related to job hunting \$ _____
- 10f. Number of miles driven for job hunting _____

EMPLOYEE BUSINESS EXPENSES (not reimbursed) (Only Impacts State Tax Return)

NOTE TO SELF-EMPLOYED INDIVIDUALS:

Do not list any expenses related to your self-employment here.
Put that information on pages 9 and 10 of this Checklist.

- 11a. Vehicle Expenses: Use the "Automobile and Travel Expense Worksheet" (page 11)
- 11b. Travel Expenses: Use the "Automobile and Travel Expense Worksheet" (page 11)
- 11c. Business meals and entertainment \$ _____
- 11d. Job-related conference and seminar fees \$ _____
- 11e. Job-related licenses and renewals \$ _____
- 11f. Job-related insurance premiums (not life, health or disability) \$ _____
- 11g. Job-related books, journals, CDs and DVDs \$ _____
- 11h. Job-related long-distance telephone and cellular charges \$ _____
- 11i. Job-related electronic supplies. \$ _____
- 11j. Job-related on-line subscriber & Internet fees \$ _____
- 11k. Supplies used in your job \$ _____
- 11l. Tools and equipment used in your job \$ _____
- 11m. Uniforms (not suits, ties, dresses, street clothes or regular civilian wear) \$ _____
- 11n. Uniform cleaning costs \$ _____
- 11o. Safety equipment for your job \$ _____
- 11p. Business gifts (cannot exceed \$25 per gift) \$ _____
- 11q. Professor and teacher classroom expenses \$ _____
- 11r. Other job-related expenses (list below) \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____

GAMBLING LOSSES (read carefully)

- 12. Any losses you had from gambling. This amount cannot exceed the total gambling winnings you are claiming as income! \$ _____

Deductions (continued)

CASUALTY AND THEFT LOSSES (Only Impacts State Tax Return)

Describe losses, after insurance reimbursement, which exceed 10% of your total income. Casualty losses result from fire, earthquake, storms, accidents, etc. Theft losses need to have been reported to law enforcement authorities. If you have been a victim of a Ponzi scheme, bring all documentation and any applicable court rulings (Revenue Rule 2009-9).

Federally Declared Disaster Losses are deductible for both Federal & State Returns!

Provide: Name of Incident, Repair costs, Insurance reimbursements, Original cost of property damaged

MOVING EXPENSES (Only Impacts State Tax Return, unless Military related)

If you or your spouse changed jobs or job locations AND moved during the year complete this section.

Number of miles from your former residence to your new job _____

Number of miles from your former residence to your old job _____

If the difference between the above 2 lines is less than 50 miles, do NOT continue with this section.

Transportation of Household Goods:

- Moving van or truck rental \$ _____
- Boxes, crates, packing materials, casual labor \$ _____
- Employer reimbursement for transportation of household goods \$ _____

Traveling Expenses:

- Travel costs and lodging (do not include meals) \$ _____
- Number of miles driven traveling to the new location _____
- Employer reimbursement for traveling expenses \$ _____

SPOUSAL SUPPORT PAID (Alimony)

If you paid spousal support (not child support) to a former spouse during the year, please provide:

- **Date divorce agreement was finalized** _____
- Amount of spousal support paid during the year. \$ _____
- Social Security number of the recipient of spousal support _____

CHILD CARE EXPENSES (for children under 13)

You must provide **ALL (please!)** the information below even if the expenses were paid by your employer through a dependent care program.

Name of Child	Provider's Name/Address/Phone #	Identification # *	Amount
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

* The identification number of the childcare provider is either the Social Security Number (SSN) or the Employer Identification Number (EIN).

ADOPTION EXPENSES

If you incurred adoption expenses, either domestic or foreign, during the year, please contact us for some guidance. The tax laws regarding adoption expenses are too complex to be explained on this Checklist. Bring a copy of the final adoption or decree.

Rental Property

(use additional pages if needed)

ADDRESS OF PROPERTY

A. _____
B. _____

	PROPERTY A	PROPERTY B	OTHER
INCOME	_____	_____	_____

EXPENSES

Improvements _____
Carpets, roof, remodels, appliances, flooring, additions, etc. Will need date & description

Advertising	_____	_____	_____
Association Dues	_____	_____	_____
Cleaning/Maintenance	_____	_____	_____
Commissions	_____	_____	_____
Gardening & Landscaping	_____	_____	_____
Insurance	_____	_____	_____
Legal/Professional Fees	_____	_____	_____
Licenses & Permits	_____	_____	_____
Management Fees	_____	_____	_____
Mortgage Interest	_____	_____	_____
Painting/Decorating	_____	_____	_____
Pest Control	_____	_____	_____
Plumbing & Electrical	_____	_____	_____
Repairs	_____	_____	_____
Supplies	_____	_____	_____
Taxes	_____	_____	_____
Telephone	_____	_____	_____
Utilities	_____	_____	_____
Wages & Salaries	_____	_____	_____
Other Expenses	_____	_____	_____
Miles driven to property	_____	_____	_____

Note: If property became a rental for the first time during the year, please bring a copy of the most recent property tax bill. Will also need original cost and cost of any improvements since purchase. This will be needed to set up the depreciation schedule.

**Self-Employment / Farm Income /
General Partner / Limited Liability Co.**

This should be completed by all individuals who: received commissions, performed contracted services, were self-employed, were general partners in a partnership, were managing members of an LLC or received farm income during the year.

If there is more than one business, please copy this page and complete a separate form for each business.

GENERAL INFORMATION

Type of Business _____
Business Name: _____
Business Address: _____
Business Owner: _____
Employer I.D. # _____

GROSS INCOME

Total Amount received for All Goods and Services in the year: \$ _____
(Do NOT include sales tax)

COST OF GOODS SOLD

Inventory (or materials on hand) on Jan 1st of the year \$ _____
Purchases of inventory or materials during the year \$ _____
Inventory (or materials on hand) on December 31st \$ _____

EXPENSES

Accounting \$ _____	Postage/FedEx/UPS \$ _____
Advertising \$ _____	Printing & copying \$ _____
Answering service \$ _____	Professional dues \$ _____
Auto/Truck expense- see page 11	Public relations \$ _____
Bank service charges \$ _____	Publications \$ _____
Bookkeeping fees \$ _____	Rent \$ _____
Business meals \$ _____	Repairs/maintenance \$ _____
Commissions \$ _____	Security & alarms \$ _____
Consulting services \$ _____	Software \$ _____
Contractors \$ _____	Supplies \$ _____
Continuing education \$ _____	Taxes – business \$ _____
Employee benefits \$ _____	Taxes – payroll \$ _____
Entertainment \$ _____	Taxes – property \$ _____
Equipment rental \$ _____	Telephone/fax/cell \$ _____
Freight \$ _____	Temporary help \$ _____
Gifts (\$25 each max) \$ _____	Tools \$ _____
Insurance (not auto) \$ _____	Travel - see page 11 -
Interest (not auto) \$ _____	Uniforms & cleaning \$ _____
Janitorial services \$ _____	Utilities – office \$ _____
Legal fees \$ _____	Wages & salaries \$ _____
Licenses & permits \$ _____	Website related costs \$ _____
Major purchases - see page 10 -	On-line Services \$ _____
Office expenses \$ _____	Other \$ _____ describe _____

RETIREMENT PLAN CONTRIBUTIONS FOR SELF EMPLOYED PERSONS

Amount you contributed, or plan to contribute, to your retirement plan for the year:
SEP \$ _____ SIMPLE \$ _____ Single person 401k \$ _____

We can help you determine the amount to get the greatest tax savings.

Self-Employment / Farm Income / General Partner / LLC (continued)

MAJOR BUSINESS PURCHASES (over \$2,500) MADE DURING THE YEAR

Description _____ **Date of Purchase:** _____
Cost : _____

BUSINESS USE OF YOUR HOME

Complete this section if you use a portion of your personal residence on a REGULAR AND EXCLUSIVE basis (strict requirement) for any one of the following purposes:

- A. It is your principal place of business where you perform administrative or management activities in that office AND there is no other fixed location where you do significant amounts of such work.
- B. The space is used to meet with clients, customers or patients on a regular basis.
- C. It is where you operate a day-care center.
- D. It is where you store inventory or product samples.
- E. If you are an employee, the office must be for the employer's convenience AND required by your employer as a condition of your continuing employment.

Information:

Total square footage of your home _____
 Square footage of the portion of your home used for business _____
 Total number of hours your home is used for business (day-care only) _____
 Date you began using part of your home for business _____
 Purchase price of your home, plus improvements \$ _____
 If you began using your home for business during the year, please bring a copy of your property tax bill for depreciation setup.

Expenses for your Entire Home:

Mortgage interest (all loans) \$ _____
 Property taxes \$ _____
 Insurance (including earthquake, flood and renter's insurance) \$ _____
 Rent \$ _____
 Repairs and maintenance \$ _____
 Utilities \$ _____
 Homeowners' dues or Condominium Association dues \$ _____

Expenses for the Business Portion of your Home:

If you had expenses for just the business portion of your home, such as office painting, special plumbing or electrical, decorating, ventilation systems, etc., indicate the type and amount paid during the year.

_____ \$ _____
 _____ \$ _____

New Option for Business Use of Your Home

There is a new simplified calculation for business use of your home. You may now use \$5 per square foot up to 300 square feet (this limits your deduction to \$1500). There is no record keeping of utility bills, maintenance, association dues etc. **Read on for Limitations:** There is no deduction of direct expenses. Maximum deduction is only \$1500. No depreciation is allowed. I suggest you gather the usual information and let me determine the best method.

HEALTH INSURANCE DEDUCTION (self-employed persons only)

As a self-employed person, how much did you (or your spouse) pay out-of-pocket for health insurance, including dental, vision and long-term care?

(Do not include life or disability insurance).

YOU \$ _____
 SPOUSE \$ _____
 DEPENDENT CHILDREN \$ _____

Automobile and Travel Expense Worksheet

WHEN TO USE THIS WORKSHEET

Use this worksheet if either #1, #2 or #3 below applies. Circle which situation applies to you.

- #1 As an employee, you traveled or used your personal vehicle for company business and:
 - a. You were not fully reimbursed for your expenses, or
 - b. Your reimbursement is included in your W-2 as income.
 - #2 You are self-employed, and you used your personal vehicle in the business.
 - #3 As an employee you traveled between more than one job location on the same day.
- Note: #'s 1 & 3 only impact the State Return!!**

INFORMATION

	<u>Vehicle #1</u>	<u>Vehicle #2</u>
Driver of vehicle for business	_____	_____
Year and make of vehicle	_____	_____
Miles driven for ALL purposes	_____	_____
Business miles driven *	_____	_____
* Note: Do not include miles driven to and from work as business miles.		
Original cost of vehicle	\$ _____	\$ _____
Month and year vehicle was first used in business	_____	_____
Parking for business purposes (no parking tickets!)	\$ _____	\$ _____
Toll road/bridge fees for business purposes	\$ _____	\$ _____

Before continuing, be aware the IRS allows a significant 'standard mileage rate' per mile in lieu of documenting your actual vehicle expenses. Complete the "Vehicle Expenses" section below if:

1. You have deducted actual expenses on the same vehicle before.
2. You wish us to calculate the method which is most beneficial to you.

VEHICLE EXPENSES

	<u>Vehicle #1</u>	<u>Vehicle #2</u>
Gasoline, lube and oil changes	\$ _____	\$ _____
Repairs	\$ _____	\$ _____
Tires	\$ _____	\$ _____
Insurance	\$ _____	\$ _____
Registration	\$ _____	\$ _____
Smog or air pollution certification fees	\$ _____	\$ _____
Interest on automobile loan	\$ _____	\$ _____
Lease payments	\$ _____	\$ _____
Auto Club dues or roadside service fees	\$ _____	\$ _____
Car washes or detailing expenses	\$ _____	\$ _____

TRAVEL EXPENSES (which were not reimbursed)

	Name of person □		
Overnight lodging	_____	\$ _____	\$ _____
Airfare	_____	\$ _____	\$ _____
Local transportation (taxi, bus, train, subway, rental car)	_____	\$ _____	\$ _____
Tips (taxi drivers, busboys, luggage handlers, etc.)	_____	\$ _____	\$ _____
Other travel expenses (please list)	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
Cost of meals on overnight trip	_____	\$ _____	\$ _____

To use the Per Diem rates vs. tracking meals, etc., provide city(s) & # of nights in each

Other Deductions & Credits

STUDENT LOAN INTEREST

Did you pay interest on a student loan? YES NO If Yes, How much? \$ _____

Note: You may receive a Form 1098-E or a letter from the student loan reporting amount paid.

EDUCATION CREDITS

Tuition and fees paid in this year during the first 4 years of college:

Student's name _____ Amount \$ _____

Tuition, fees, books and supplies paid this year for any year in college:

Student's name _____ Amount \$ _____

Tuition and fees paid in this year for other post-secondary education:

Student's name _____ Amount \$ _____

Helpful Hint: **You will need a Form 1098-T issued by the educational institution.** Contact the School. You can also search "1098T.com" for tuition paid.

Note: Housing, travel, activity fees, texts and computers may count.

VEHICLE CREDITS – Availability fluctuates from year to year.

If you bought an Electric, Hybrid or Plug-in vehicle – bring in the particulars and we will explore.

Be aware you must be the original owner of the vehicle for any of the credits.

ENERGY CREDITS – Availability Fluctuates from year to year

The credit is typically for insulation materials, certain exterior doors and windows, qualified roofing, skylights, etc. This does not include appliances. This credit is tricky, but if you think you qualify, please provide information from your licensed contractor and/or manufacturer.

SOLAR CREDITS – Availability Fluctuates from year to year

There may still solar credits available this year. Your licensed contractor should be able to identify what credits for which you qualify.

ACTIVE MILITARY DUTY CREDIT

Were you and/or your spouse on active military duty serving in combat zones? YES NO

RENTER'S CREDIT (CALIFORNIA ONLY)

Did you pay rent for at least 6 months in the year on property which was your primary residence? (Includes space rent on a mobile home but not college dorms or second homes). YES NO

HIGH EARNER ALERTS!!

- **ALTERNATIVE MINIMUM TAX**
 - New legislation has decreased the likelihood of the Federal AMT being applied. However, high earners should be aware it still exists.
- **NET INVESTMENT TAX**
 - Applies to gains from sales, dividends and interest
- **ADDITIONAL MEDICARE TAX**
 - Too complicated to explain – we'll let you know if this applies to you
- **CALIFORNIA MENTAL HEALTH TAX**
 - Applies when your income reaches a certain level. We'll let you know if this applies.

Miscellaneous Information

FOREIGN INVESTMENT ACCOUNTS

The Federal government has taken an increased interest in taxpayers with income from foreign activities. Foreign Bank and Financial Accounting Reporting (FBAR) will be required for more individuals. If you have an interest in or a signature or other authority over financial accounts in a foreign country you need to notify us if the total value of all the accounts exceeds \$10,000 at any time during the year, you are required to file Form TD F 90-22.1.

This is not filed with your income tax return but is filed separately with the Treasury Department in Detroit. The due date for the filing is April 15th. The government is getting tough on this. **Penalties are very severe.**

If you meet the FBAR requirements - provide the name and address of the institution(s), the account number(s) and highest value during the year for each account. The value should be expressed in the foreign currency.

Please let us know if you have any other income from foreign activities, are a shareholder of a foreign entity or received a gift/bequest from a non-US resident.

FORECLOSURES

If the loan balance on your home was larger than any reasonable sale price for the property and you stopped making payments, one of the following may have occurred: Foreclosure, Short Sale or Voluntary Reconveyance. It is likely you will receive a Form 1099-C (Cancellation of Debt) or Form 1099-A (Abandonment). The IRS and state may want you to pay taxes on the difference between the loan amount and the value of your home. Make sure you bring these documents, as many are wrong.

NON-CASH DONATIONS EXCEEDING \$500 IN VALUE (page 5)

You will need: the name and address of the charity, description of the property, date of contribution, the amount you paid for the items and the amount you believe the charity will be able to sell it. The IRS and other organizations list "value ranges" of items on their websites (Salvation Army, etc.)

GENERAL CHARITY GUIDELINES

The following is a guideline for substantiation and documentation for charitable contributions:

Cash Donations:

Under \$250 Given at One Time – Either a written receipt from the charity, a canceled check, a credit card statement or a bank record proving payment.

Over \$250 Given at One Time – Both a written receipt and proof of payment.

Non-Cash Donations:

Under \$500 Given at One Time – Written acknowledgment from the charity, unless impractical to obtain one.

More than \$500 and Less than \$5000 Given at One Time – Written acknowledgment from the charity.

Over \$5000 given at One Time – Written acknowledgment from the charity and a written appraisal.

Motor Vehicles – Form 1098-C from the charity.

HEALTH CARE REFORM

On March 23, 2010 President Obama signed an act addressing comprehensive health reform. This original law and its subsequent changes are the most sweeping health care reforms in the history of the United States. This is known as Affordable Care Act (often referred to as Obamacare).

The impact on your Federal income taxes could result in an increase in taxes or an increase in refunds.

People who **will be** affected on their **Federal Return**:

- Taxpayers who received premium assistance through the insurance exchange. i.e., Covered California.
 - You should receive a **Form 1095-A** from the Health Insurance Market Place.
 - If you haven't received it, **you must get one**. Otherwise your return will be incomplete, and the IRS will send you a letter demanding you file it.

People who will **not** generally have their taxes affected by this act are:

- Taxpayer covered (& spouse if applicable) covered by Medicare.
- Taxpayer covered (& spouse if applicable), along with all dependents, covered by health insurance for entire year.
- Indian tribe membership, health care ministry membership, sect membership, in prison, exempt non-citizen, economic hardship. (if you received any of exempt certificates, please bring).

Significant Federal change for 2019 – The Federal Penalty for not having Health Insurance has been suspended!

Significant California change for 2020 – California will start assessing a penalty on those who do not have Health Insurance!