

WHAT TO GIVE YOUR TAX PREPARER

by Robert D Flach
the internet's "[Wandering Tax Pro](#)"

Your tax professional wants to make sure you take advantage of all the tax deductions and credits to which you are entitled – but he or she can only do this if you provide complete and accurate information.

When giving your tax preparer your tax information be sure to include all of the following information (if it applies to your situation):

* Full names, as they appear on the Social Security card, Social Security numbers, and dates of birth for you, your spouse, and all dependents.

* Relationship of all dependents, and whether or not, and how long, they lived with you.

* Explanation of any change of status or situation that occurred during the year – marriage, divorce, birth, death, move, retirement, etc.

* W-2 forms (all copies) and the final pay-stub for the year for all of your employers. **Make a copy of your W-2s to keep with you.**

* All 1099s (for interest, dividends, gross proceeds, pensions, distributions from a Qualified Tuition Program, and other income), 1098s (for mortgage interest, contribution of a motor vehicle to charity, student loan interest, and tuition and fees), **1095s – A, B, or C (for health insurance coverage and advance premium tax credits)**, and K-1s and all attachments (for partnerships, sub-S corporations, estates, and trusts) from all sources.

* All year-end statements and information from brokerage and mutual fund accounts and any AVERAGE COST STATEMENTS received from a mutual fund on the sale of fund shares.

* A detailed listing of-

1. itemized deductions (unreimbursed medical payments, charitable contributions, and job-related, job-seeking, and investment expenses),

2. rental income and expenses, and/or

3. self-employment income and expenses.

Your preparer doesn't need to see actual bills, receipts, or cancelled checks. For the most part he or she will just need numbers. Do not send a pile of medical bills and receipts and insurance statements and expect the preparer to sort through them to determine your allowable medical deduction.

The preparer will, however, want to see any receipts, acknowledgments or listings for non-cash contributions –clothes, books, household items, furniture, etc - to Goodwill, the Salvation Army, or your church.

When I say "he or she will just need numbers" I mean specific numbers for deductions you are claiming. "Claim the maximum" or "Whatever I am allowed" or "Same as last year" is not appropriate. The maximum is what you actually paid – and you are allowed what you actually paid! You will need to tell your tax pro "\$1023.50" or "\$20.00 per week for 50 weeks" or "4638 miles"!

If any of the following situations apply to you your preparer will need additional information -

IF YOU SOLD STOCK, BONDS, OR MUTUAL FUND SHARES – the dates of purchase and cost of the investments sold. This information may be included in the Year-End Consolidated Form 1099 Statement you received from a brokerage firm or mutual fund house. If cost basis information for all trades is not included on this statement have your broker provide you with a “profit and loss” report for all the year’s trades that reconciles to the Form 1099B for each account. If you sold an investment you inherited provide the number of shares you inherited and the date of death of the person from whom they were inherited.

IF YOU SOLD REAL ESTATE – the Closing/Settlement Statements for both the purchase and sale of the property, plus the cost of improvements made to the property over the years.

IF YOU PURCHASED REAL ESTATE – the Closing/Settlement Statement for the purchase of the property. For rental property provide the separate amounts of “assessed values” for land and improvements from the tax bill.

IF YOU ARE RECEIVING IRA DISTRIBUTIONS –the year-end statements for all IRA accounts.

IF YOU RECEIVED A DISTRIBUTION FROM A PENSION PLAN – did you roll-over the distribution to an IRA or “take the money and run” .

IF YOU ARE PAYING ALIMONY – the Social Security number of your ex-spouse, the amount of alimony paid for the year, and any other required payments, such as health or other insurance premiums and real estate expenses, that you are making on behalf of your ex-spouse.

IF YOU PURCHASED A CAR, TRUCK, SUV, MOTORCYCLE, BOAT OR AIRPLANE OR BUILT A HOME – the amount of sales tax paid.

IF YOU REFINANCED A MORTGAGE – the Closing/Settlement Statement for the refinance and the term of the new loan.

IF YOU DONATED A CAR TO CHARITY – all the paperwork you received from the charity, especially the Form 1098-C, plus the original cost and date of purchase of the car and its vehicle identification number.

IF YOU HAVE GAMBLING WINNINGS – details of your gambling losses.

IF YOU HAVE DEPENDENTS IN COLLEGE – all Form 1098-Ts received and all the “Burser’s Reports” for the year that show tuition and other payments. You may be able to print-out a financial report from the college’s website. And identify what was spent on course-related books, supplies, and equipment. If you have taken a distribution from a Section 529 Qualified Tuition Program include the cost of room and board.

IF YOU PAID FOR CHILD CARE, WHETHER DIRECTLY OR THROUGH A FLEXIBLE SPENDING ACCOUNT – the name, address, Social Security or Employer Identification number, and amount paid for all child-care providers. If you have more than one child identify how much you paid for each child. You may be able to get detailed statements from the provider(s).

IF YOU PURCHASED AN ENERGY-EFFICIENT PRODUCT FOR YOUR HOME – a description of the items you purchased, the purchase price, and any Manufacturer’s Certification you received or confirmation that the purchase qualifies. Please independently verify that your purchase qualifies for the credit.

If this is the first year you are using a new tax professional provide copies of your **past three years’ tax returns**.

TAX GUIDE FOR NEW HOMEOWNERS

by Robert D Flach
the internet's [Wandering Tax Pro](#)

I have written a guide especially for new homeowners - a detailed review of all of the special tax benefits available to homeowners.

The guide discusses –

- ✓ itemized deductions for real estate taxes, mortgage interest, points, and mortgage insurance premiums,
 - ✓ the home office deduction,
 - ✓ rental income and deductions for a 2-family home,
 - ✓ the home sale exclusion, and
 - ✓ the dreaded Alternative Minimum Tax.

It also includes special sections on Other Itemized Deductions and Choosing a Tax Professional, a listing of the 2016 inflation adjustments for deductions and credits, and special forms, schedules, and worksheets to use during the year and at tax time.

The cost of this special tax guide, sent to you as a pdf email attachment, is **only \$7.95**. A print version is also available for \$9.95.

Attention tax and real estate professionals – reprint rights of this report is available for free distribution to current and potential clients. Email rdftaxpro@yahoo.com, with HOMEOWNERS TAX GUIDE REPRINT RIGHTS in the subject line, for information.

Send your check or money order for \$7.95 or \$9.95, payable to TAXES AND ACCOUNTING, INC, and your email or postal address, to –

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