

# Tax Preparation Checklist

Before you begin to prepare your income tax return, go through the following checklist. Highlight the areas that apply to you, and make sure you have that information available. Better yet, attach the list to a folder of your tax documents, and check items off as you add them to the folder. Compile the documents for your records but we will not need all the documents to complete the tax return. The Checklist aids taxpayers that are U.S. residents or expats.

## Possible information needed:

### Personal information

- Social Security numbers and dates of birth for you, your spouse, your dependents
- Copies of last year's tax return for you and your spouse (helpful, but not required)
- Bank account number and routing number, if depositing your refund directly into your account
- Expat questionnaire for new clients

### Information about your income (whichever applicable)

- W-2 forms for you and your spouse or employer's end-of-year salary form
- 1099-G forms for unemployment income, or state or local tax refunds
- 1099-MISC forms for you and your spouse (for any independent contractor work)
- 1099-R, Form 8606 for payments/distributions from IRAs or retirement plans
- 1099-S forms for income from sale of a property
- 1099-INT, -DIV, -B, or K-1s for investment or interest income
- SSA-1099 for Social Security benefits received
- Alimony received
- Prior year installment sale information - Forms 6252, principal and interest collected during the year, SSN and address for payer
- Miscellaneous income: jury duty, gambling winnings, Medical Savings Account, scholarships, etc.
- Passive foreign investment company (**PFIC**): provide statements of total information on the foreign investments (# of shares, cost/sales, dates of transactions, income, etc.)

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## Adjustments to your income

The following items can help reduce the amount of your income that is taxed, which can increase your tax refund, or lower the amount you owe.

- Form 1098-E for student loan interest paid (or loan statements for student loans)
- Form 1098-T for tuition paid (or grand total of tuition paid and possible other expenses)
- For teachers: Total amount spent in the classroom.
- Records of IRA contributions made during the year
- Receipts for any qualifying energy-efficient home improvements (solar, windows, etc.)
- Records of Medical Savings Account (MSA) contributions
- Self-employed health insurance payment records
- Record of moving expenses
- Alimony paid
- Keogh, SEP, SIMPLE, and other self-employed pension plans
- Charitable cash donations: up to \$300 can adjust your income for 2020

## Credits

The government offers a number of deductions and credits to help lower the tax burden on individuals, which means more money in your pocket. You'll need the following documentation to make sure you get all the deductions and credits you deserve:

- Child care costs: provider's name, address, tax ID, and amount paid
- Education costs: Form 1098-T, education expenses
- Adoption costs: SSN of child; records of legal, medical and transportation costs

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## Itemized deductions

The government offers a number of deductions and credits to help lower the tax burden on individuals, which means more money in your pocket. You'll need the following documentation to determine if you are eligible to itemize deductions:

- Forms 1098: Mortgage interest, private mortgage insurance (PMI), and points you paid
- Investment interest expenses
- Charitable donations: cash amounts, official charity receipts, canceled checks; value of donated property; miles driven and out-of-pocket expenses
- Medical and dental expense records
- Casualty and theft losses: amount of damage, insurance reimbursements
- Real estate taxes paid
- Personal property taxes
- Vehicle license fees based on value of vehicle

## Business income: (Self-employed and rental income)

- Self-employed income/expenses: profit/loss statement, estimated taxes paid, social security taxes paid
- Home-office Deduction: Records of home business expenses, home size/office size, home expenses
- Rental property income/expenses: profit/loss statement, rental property suspended loss information (Forms 1098: Mortgage interest, private mortgage insurance (PMI), and points you paid, Real estate taxes paid, etc.)
- Business or farming income - profit/loss statement, capital equipment information

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## Taxes paid

- State and local income taxes paid
- Estimated tax payments made during the year (self-employed)
- Amount of foreign taxes paid for each type of income

## Other information

- Prior-year refund applied to current year and/or any amount paid with an extension to file
- Foreign tax return filed (helpful but not required).
- FBAR: Foreign bank account information: location, name of bank, account number, highest value of account during the year of each foreign account (including zero balances).