

January 2021

What an eventful twelve months (understatement of the year. ;) And here's to a 2021 where we all catch traction in the areas we want and build towards our future!

Of course, another part of kicking off the new year is filing taxes for the last – there's a number of unique tax implications for 2020, so it's important to follow the pointers below to make it as smooth as possible for everybody (and don't hesitate to contact our team if you have any questions):

- [Confirm Your Appointment:](#) Like last year, your tax interview appointment is being sent as a *digital event invite* to your e-mail — be sure to check your spam folder if you haven't seen it, and simply give Alcides a call if you need a different date/time. (Early contact makes rescheduling *much* easier.)
- [All Appointments are Virtual:](#) Our team went entirely virtual in March 2020 and we expect to be so for the foreseeable future. Almost everyone experienced our easy virtual meeting rooms at some point last year, and we'll be using them again for your tax interview this year. We can do door drop-off/ pick-ups of documents - just be sure to give Alcides a call prior to ensure someone's here. ([More info](#))
- [Complete Your Checklist:](#) Enclosed is the *Pre-Appointment Checklist* – tick through it *before* your tax interview to ensure you have everything and to note any questions you want to ask.
- [Upload Your Tax Documents:](#) *Before* your tax interview, securely save PDF's of your tax documents to [your e-Cabinet](#) "Upload Files Here" folder so they'll be available to discuss. ([Short video tutorial](#))
- [Choose your Value Pak:](#) If you haven't already chosen your Value Pak for this year, be sure to check your e-Cabinet before your appointment so you'll be ready to select your choice. (available by Jan 31)

Some important bits of information to know:

- [Mar 26 cut-off:](#) We'll need to receive the last piece of information and complete your tax interview before **Friday, March 26** to ensure your return will be ready by April 15.
- [Extensions:](#) *Active* or *Support* members will automatically have extensions filed for you if needed. Other members can simply submit an Extension Change Request on our website by midnight before the due date request our team to take care of it for you.
- [2020 Tax Tips:](#) Check out our [Insights Blog](#) and [Twitter feed](#) for helpful highlights and tips on tax law changes and tax-saving ideas.

Michael, Alcides, and myself look forward to helping you file your tax returns as smoothly as possible this year, and don't hesitate to reach out to us with any questions – our team is here to help!

Sincerely,
Adrian G. Simmons
& the Elements CPA team

PRE-APPOINTMENT CHECKLIST (Individuals)

Tick through this list to ensure you have everything gathered and to note any questions you want to ask – Simply (a) check the box if you have that item or a related question, (b) type any questions or notes in the box at the end, and (c) send or save for your tax interview. (There's also a separate custom list of the tax documents you had last year.)

GENERAL

- Any changes to your mailing address, cell/home/work numbers, or e-mail addresses? – mention during your tax interview.
- Any new dependents to add? – bring name, date of birth, and SSN. (Congratulations by the way.) :
- Any dependents from last year to remove? – mention during your tax interview.
- Any new bank accounts to use for direct deposit of refunds? – bring check from the account (or at least routing and account number).
- Receive stimulus checks? – bring the amount received for each payment.

INDIVIDUAL ADDITIONS

- Any wages? – bring Forms W-2 from each employer.
- Any special employer compensation? – bring explanatory letters from your employer (e.g., subsidized moving costs, exercised stock options, etc.)
- Any independent contractor compensation? – bring Forms 1099-NEC from each payer.
- Any retirement plan withdrawals? – bring Forms 1099-R from each retirement plan. (New for 2020: There are special exceptions that may make retirement withdrawals non-taxable depending on the circumstances.)
- Any IRA withdrawals from accounts in which you have “basis” (i.e., already taxed monies)? – bring the previous year's ending account balance for each IRA account.
- Any Social Security benefits? – bring Form SSA-1099 for each recipient.
- Any interest income over \$10 from bank accounts? – bring Forms 1099-INT from each bank.
- Any dividend income over \$10 on investment accounts? – bring Forms 1099-DIV from each financial institution.
- Any sales of investments? – bring Forms 1099-B from each financial institution. Look up any missing purchase dates and/or purchase prices for sales made.

- Any state refund received? – bring Forms 1099-G from each applicable state.
- Any unemployment compensation? – brings Forms 1099-G from each applicable state.
- Any gambling winnings? – bring Forms W-2G for each winning. Also bring a summary of all gambling losses for the year.
- Any ownership interests in partnerships, S-Corporations, or trusts? – bring Form K-1 for each interest.
- Any withdrawals from college savings plans? – bring Forms 1099-Q for each account.
- Any withdrawals from Health Savings Accounts? – bring Forms 1099-SA for each account.
- Any alimony received? – provide the total amount received and the payer's SSN.
- Any income received in a foreign country? – bring details to discuss further.
- Any level of involvement with financial accounts overseas? – come with details of amounts, income earned, etc. to determine what, if any, reporting may be required.
- Any bitcoin or cryptocurrency activity? – come with details of amounts, income earned, etc. to determine what, if any, reporting may be required.
- Any other income or tax form received (including debt cancellation)? – bring details to discuss further.

INDIVIDUAL SUBTRACTIONS

- Any childcare paid? – bring provider name, address, tax ID, and amount paid per child.
- Any higher education tuition paid? – bring Form 1098-T from each educational institution, plus amounts for books and other related expenses.
- Any contributions into IRA's (Traditional, Roth, SEP, SIMPLE, etc.)? – bring Form 5498, or total for amounts contributed per account. (New for 2020: Individuals are no longer prevented from making IRA contributions due to being over age 70.5.)
- Any contributions into Health Savings Accounts? – bring Form 5498-SA.
- Any contributions into home state college savings plans? – bring a summary of amounts contributed per child per account.
- Any real estate owned/ purchased/ sold/ refinanced? – bring Form 1098 for any mortgage; real estate taxes paid by property; and settlement statements for any purchases, sales, or refinances.
- Any monetary charitable contributions? – bring a summary total, and keep receipts on file for any giving instances of \$250 or more. (New for 2020: Up to \$300 is deductible even if you take the standard deduction.)
- Any non-monetary charitable contributions? – bring a summary total, and if grand total is greater than \$500, the receipts showing recipient, address, and item descriptions. (Example values can be found at <http://satruck.org/donation-value-guide>.) Bring Form 1098-C if vehicle donated.

- Any significant medical costs paid out-of-pocket (generally greater than 10% of your income)? – bring subtotals by type of medical cost. If you're self-employed covered under your own plan, bring the premiums total.
- Any estimated taxes paid? – bring a list of dates paid, amounts, and payees.
- Any student loan interest? – bring Form 1098-E.
- Any alimony paid? – bring a total of the amount paid, and the recipient's SSN.
- Any solar/ wind/ geothermal improvements to your house? – bring subtotals of the amounts paid by improvement type.
- Any health insurance coverage? – bring Form 1095-A/B/C.
- Any other items you think may reduce your taxes? – bring details with you to discuss further. (Includes out-of-pocket teacher expenses, un-reimbursed partnership expenses, electric vehicle credit, etc.)

RENTAL ACTIVITY

- Any rents received from tenants? – bring Form 1099-MISC if received from tenant or property manager.
- Any rental expenses? – bring financial summaries from property managers if any, Forms 1098 from banks for mortgage interest, and your own financial summary (rental worksheets are available on our Insights Blog if helpful).
- Any significant rental improvements? – be sure to list separately larger equipment purchases, remodeling, and similar so we can evaluate for proper categorization.

BUSINESS ACTIVITY (see separate checklist included and available on our Insights Blog at elementscpa.com)

QUESTIONS / COMMENTS

Don't forget to securely upload any files to [your e-Cabinet](#) into the "Upload Files Here" folder.