HAPPY NEW YEAR!

January 2022

As all of us have been affected in one manner or another by this horrible pandemic, we sincerely extend our wishes for a healthy, safe and happy 2022.

As the New Year begins, the annual task of filing your income tax return once again arises. We hope to make this process as stress free as possible, and you can help by completing the enclosed checklist. Complete as many questions as you can and include the completed form with your tax documents, noting any items you would like to discuss.

<u>NEW THIS YEAR:</u> Charitable donations in the form of cash, check or credit card are deductible up to $300 for those taxpayers who do not itemize, up to $600 for a married couple, so if this is an item applicable to you, please include a list of those donations.

<u>If you received</u> a government <u>stimulus payment in 2021</u> or an <u>advance child tax credit payment</u>, we need to know the amount that was received. If it was not received, we can request it as part of the tax return, if the amount received was incorrect, we can apply for an adjustment also with the income tax return. The IRS will be issuing two important letters in January 2022: Letter 6475 to reconcile your 2021 Stimulus Payment and Letter 6416 if you received the Advance Child Tax Credit payments. We need a copy of those letters to correctly prepare you income tax.

<u>With respect to the Covid-19 pandemic</u>, we would like to provide our service to you using minimal physical contact, if any. We are taking every step necessary to provide a safe environment for you as well as our employees. **<u>MASKS ARE REQUIRED</u>** for all activity inside of our building.

For those of you who have dropped-off, mailed or emailed your data to us in the past, we request that you continue to do so.

We have reserved Wednesdays 9am-7pm and Fridays 1pm-6pm for teleconferencing and virtual conference calls. To participate, you would need to schedule an appointment and then drop off your data to our office, preferably 48 to 72 hours before the scheduled time, so we may prepare for the meeting.

For those clients, who do require a meeting, please schedule an appointment and upon your arrival you will be seated in our conference room where we will conduct our meeting either in person or via our 'office to office' intercom system, depending on individual circumstances. All appointments will be limited to not more than 30 minutes so that we have time to prepare the room for the next appointment.

Completed tax returns will be returned to you via the postal service. Upon receipt of the package, we request that you review the data and instruction sheet inside the page immediately, contact us with any questions or concerns and then return your signed e-file forms as soon as possible. Your tax return will NOT be filed without your signed authorization forms received back into our office.

E-Filing is mandatory for returns prepared by a professional tax preparer, and we will need information from a <u>copy of the front and back of your NYS driver's license</u> to submit as proof of your identity.

<u>Extremely important</u>: please review the banking information that is being used for the refund direct deposit or payment withdrawal. Once the file is executed within the e-file system, we cannot make any changes and it may result in a delay of receiving your refund. <u>If there is a new or revised bank account number, we need a copy of a voided check to verify the data</u>. **<u>We will not accept bank account numbers over the telephone</u>**.

Continued on page 2…

We cannot emphasize enough: Please review our checklist thoroughly so that you forward all the information required to complete your tax return at one time. Incomplete information or multiple packages will delay the completion of your tax return.

As a reminder, many changes had taken place back on 12/31/17 affecting your income taxes. Tax rates have changed, state and local taxes have been capped on the itemized deduction schedule causing many taxpayers to use the standard deduction and the standard deduction has been increased to offset the inability to itemize. For those taxpayers who can still itemize, modifications have been made to the home mortgage and equity interest deduction, limiting it to home purchase, home building or substantial improvement to your main or second home. We will still need to see a copy of the 1098 to determine eligibility. Child credits and many threshold limits have been increased. **In some instances, taxpayers who cannot itemize deductions on the federal tax return may be able to itemize on the NYS tax return.** There were more changes but just too many to list here.

Regarding Health Insurance coverage, although the penalty for non-coverage has been eliminated, it may still have an impact on the filing of your income tax resulting in a premium tax credit or additional tax payable on your income tax return. The IRS will be holding refunds on the taxpayers who have not reported their insurance status correctly. It is very important for us to know if you have health insurance and/or if you purchased health insurance through the ACA Marketplace. **Please review our checklist.**

The federal government has instituted serious penalties for not reporting foreign bank and financial accounts with values in excess of $10,000 at any time throughout the year. Please review question #17 on our checklist.

New guidelines affect taxpayers newly divorced or separated during 2019, or those with agreements modified after 12/31/2018. Please review item # 12 on our checklist.

We receive numerous calls during the year requesting copies of tax returns. It is very important that you retain copies of your income tax returns and corresponding documents for at least 10 years. We are required to retain copies of the tax return for a minimum of 4 years including the W-2's and 1099's that include withholding. Your income tax return packets include very valuable and sensitive personal information; they should be stored in a safe place, but also readily available when you need them. If you determine that it is time to purge your files, please shred documents thoroughly to avoid risk of identity theft.

On a sad note, Gary Dombrowski, a long-time member of our tax preparation team, had passed away back in May 2021 from an injury sustained during a fall at home. Our sympathy goes out to his family and the many lives touched by his kindness. He will be greatly missed.

We are looking forward to being of service to you again this year. Remember that if you have any questions relating to your taxes or other financial matters, we are here throughout the year to help you.

NORMAN BLATNER, CPA
JOE MINEO, CPA
DEBBIE SIBILIO
DAWN WILD

CHECKLIST FOR 2021

LAST NAME________________________FIRST NAMES________________________

ADDRESS (IF CHANGED)____

PHONE NUMBER: DAYTIME__________________EVENINGS____________________

D.O.B.(Taxpayer)__________(Spouse)__________E-MAIL ADDRESS________________
WHAT SCHOOL DISTRICT DO YOU LIVE IN?____________________________________

HAS YOUR BANK INFORMATION CHANGED? Please provide a voided check for reference
Routing #________________Bank Acct #_________________(checking or savings)

<u>NEW CLIENTS</u>: PLEASE PROVIDE A COPY OF YOUR DRIVERS LICENSE, FRONT & BACK

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DEPENDENTS: (PLEASE INDICATE IF DEPENDENT LIVED OUTSIDE YOUR HOME)

NAME	SS#	BIRTHDATE	RELATIONSHIP	LIVE AWAY

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<u>ITEMIZED DEDUCTIONS</u>

MEDICAL:
- Health Ins________________
- Prescriptions________________
- Doctors, Dentists_____________
- Hospital, Labs_______________
- Eyeglasses, etc._____________
- Long Term Care Ins. _________
- ____________________________

TAXES:
- Property Tax___________________
- Sales Tax (Car/Boat)_____________

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CONTRIBUTIONS: **<u>(MUST HAVE BACKUP)</u>**
- Cash & Check____________________
- Non-cash________________________
- (Need details over $500 total)

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INTEREST:
- Qualified Home Mortgage_______
- Qualified Mortgage-2nd home_____
- Qualified Home Equity__________
- Investment____________________
- ______________________________
- ______________________________

MISCELLANEOUS: (only allowed by NYS)
- Union Dues______________________
- Small Tools______________________
- Safe Deposit Box_________________
- Uniforms________________________
- Tax Prep________________________
- Employee Expenses_______________

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<u>ESTIMATED TAX PAYMENTS</u>

	4-15-21	6-15-21	9-15-21	12-31-21	1-15-22
FEDERAL	_______	_______	_______	_______	_______
NEW YORK	_______	_______	_______	_______	_______

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NOTES AND
QUESTIONS:____
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____
____

PLEASE ANSWER ALL QUESTIONS.

Yes or No

1) Did you receive Interest or Dividends? If yes, include 1099INT and 1099DIV statements. ________
2) Did you receive any Pensions or Annuities? If yes, include 1099R statements. ________
3) Did you receive **NYS & Federal Unemployment Insurance Benefits?** If yes, include 1099G statements. You must print the form 1099G from the website, they are no longer mailed by NYS. ________
4) Did you sell any stock or security? If yes, include 1099B, date acquired and cost. ________
5) Did you sell any other property? If yes, include closing statement, date acquired and cost. ________
6) Did you have any Rental Income? If yes, include list of income and expenses for each property. ________
7) Did you receive Social Security/Railroad Retirement Income? **Provide SSA-1099**
   Amount: $_______ Self $______ Spouse ________
8) Did you make any withdrawals from Pension or IRAs? **Provide the 1099R** ________
9) Did you make a contribution to an IRA or Roth IRA for 2021?
   Self/Spouse: $________ Date: ________ Roth? ________ ________
10) Did you pay any college tuition for your child in 2021? **Include 1098T statement.**
    Child ___________ Amount _________ College _________ Semester ________
    WE MUST HAVE 1098T AND A COPY OF THE INSTITUTION BILLS FOR EACH SEMESTER ________
11) Did you pay Student Loan Interest? Bring forms that indicate amount paid. __________ ________
12) Did you pay or receive alimony 2021?
    Ex-spouse Name _____________ SS# ______________ Agreement Date___________
    Amount Paid $ ___________ Amount Rec'd $ ___________ ________
13) Did you pay childcare in 2021? Child _______________ Amount ___________
    Provider Name ______________________ ID# ___________________ ________
14) Are you self-employed? Did you have any deductions for Business expenses? (attach info) ________
14A) Do you have a log to substantiate expenses? Total miles ________ Business miles ________ ________
15) Did you purchase any items on a reservation or out-of-state subject to sales tax, but not paid?
    Explain: ____ ________
16) Did you have any other income not previously mentioned? (Gambling, lottery, prizes)
    Explain: ____________________________**If you have gambling winnings, do you have any gambling losses?**___ (bring W2G AND Win/Loss Statement) ________
17) **Did you have any foreign bank accounts with a balance of $10,000 or more at any time during the year?**
    Explain: ____ ________
18) Did you donate a vehicle to a charity? (You must have a 1099C from the charitable organization to support this.) ________
19) Did you do an IRA conversion to a Roth IRA in 2021? **Include form 1099R** ________
20) If you have a HSA, you must bring in forms 5498SA AND 1099SA. ________
21) **Do you have health insurance? (Please circle one) Yes No** ________
    Is your health insurance through your employer? Yes No
    Is your health insurance through the ACA Marketplace Yes No Include Form 1095

22) **Did you purchase goods or services with OR did you buy or sell digital currencies in any form? (virtual/crypto) Yes No (Please circle one)**

23) **Did you purchase and install solar energy equipment in 2021? Yes No (Please circle one) Provide a copy of the invoice.**

24) **DID YOU RECEIVE A STIMULUS PAYMENT OF $1400 PER DEPENDENT IN 2021? YES / NO PAYMENT AMT RECEIVED: __________________ (PROVIDE A COPY OF IRS LETTER 6475)**

25) **DID YOU RECEIVE ANY ADVANCE CHILD CREDIT PAYMENTS IN 2021: AMT: __________ (IRS WILL ISSUE A LETTER #6416 or #6416A IN JANUARY WITH PAYMENT SUMMARY, PLEASE PROVIDE A COPY OF IT TO US.)**

E-Filing is mandatory for Tax Returns prepared by a professional tax preparer. An E-File Authorization form must be signed by the taxpayer. Transmission of return does not take place until an authorization form is signed and returned to our office.

****WE NOW ACCEPT VISA AND MASTERCARD****