

Year End 1040 Client Letter

Dear Client

As the year winds down, the tax reporting forms begin to arrive, and we want to remind you which ones we need you to accumulate and send to us with your tax information. First, there is a new form, the 1099-K that many of you will receive this year for things like EBay or Facebook Marketplace sales, and sometimes for simple cash transfers using a cash between friend's app such as Zelle.

If you receive a 1099-K this year please make sure to provide it to us and be prepared for a phone call and some questions from us so that we can report it properly to minimize income tax or determine that tax does not apply.

We still need the annual information forms that are sent to you for tax purposes. As a reminder, here is a simple checklist:

- W-2 for wages
- 1099-DIV for dividends
- 1099-NEC for income
- 1099-R for retirement
- 1099-Int for mortgages
- K-1 forms from investments in S corporations or partnerships
- Form 5498 for IRA values
- W-2G for gambling
- 1099-B Brokerage
- 1099-Misc for income
- 1099-G for refunds & unemployment
- 1098-T for tuition
- IRA and Roth IRA contributions for 2021
- 1099-Int for interest
- SSA-1099 Social Security
- 1099-K for income
- 1099-SA for HSA's
- Childcare costs, and the name, address, amount and ID # of the recipient
- Charitable donations-total amounts and recipients
- Property tax paid on your home, property, or cars
- Estimated tax payments and dates
- Any letters you received from the IRS or state tax authorities
- Our engagement letter

If you have a small business or rental property, we can provide you with a separate checklist for those activities if needed.

Again, IRS scrutiny of foreign accounts means that you need to be absolutely clear about any non-US accounts or income so that we report it correctly.

If you have bought and/or sold a home in 2022 we need the closing statements on both the purchase and the sale, as well as a list of improvements (with cost) for any improvements you made to the old home.

Cryptocurrency activities continue to cause major tax problems for people that believe it is not reportable. Bluntly, cryptocurrency is taxable, is reportable, and carries incredible penalties for not reporting, so make sure to discuss it with us if you dipped your toes in that water.

Every year we are reminded how much we value your business, and we want to say once again thank you. Please call us with any questions.

Sincerely,
Kelly Mueller