Individual Tax Information Organizer – 2010

This tax information organizer is designed to provide clients of Lynn M. Paslowski, CPA with a comprehensive checklist of items needed to properly prepare individual income tax returns. Please check the items that apply to you, gather the associated documents, and then call me for an appointment when you are ready to have your taxes prepared. Please do not schedule a meeting to review your 2010 taxes until you have reviewed this document and organized your tax information.

Personal Information

❒ **Name & Social Security Number:**

❒ **Occupation:**

❒ **Address Change:** If you moved in 2010, please provide your new address & telephone.

❒ **E-Mail Address:** We are actively trying to provide clients with useful information during the year via e-mail. Please provide your e-mail address if you have one. Please print neatly.

❒ **Date(s) of Birth:** Certain tax deductions are based on age. Thus, it is prudent to have your date of birth when preparing your tax returns.

❒ **Presidential Election Fund:** $3.00 contribution to, YES _____ NO ______. This does not increase or decrease your tax liability.

❒ **Direct Deposit of Refund:** If you wish the IRS to send your refund by electronic funds transfer, please provide a copy of a check, or supply your account number and bank's routing number. Please note that deposit tickets do not contain proper bank routing numbers.

❒ **Do you wish to Electronically File your tax returns?** YES _____ NO ______. If you choose this option, a $50 surcharge will apply unless your fee is $400 or more. Also, your tax preparation fee must be paid in advance. A copy of your tax returns will be mailed to you or sent via an e-mail of a PDF file.

❒ **Last Year's Tax Return:** If we did **<u>not</u>** prepare your taxes last year, please provide a copy of your 2009 federal and state tax returns.

❒ **Change in Filing Status and/or # of Dependents in 2010? Please note: if you are a same sex couple that legally married in Massachusetts, your filing status is joint for state purposes and single or head of household for federal purposes.**

❒ **Dependents:** Please provide the name, date of birth, and social security number of each dependent and their relationship to you.

❒ **State Residency:** If your state residency changed during the year, please provide dates of residency for each state.

Estimated Taxes Information

❐**Estimated Tax Payments in Made in 2010:** Please provide amount and date(s) of payment(s) for the 2010 tax year (including payments in January 2010 for 2010 taxes).

❐**Estimated Tax Payments in Projection for 2011:** Do you want us to produced estimated tax payment vouchers for tax year 2011? YES _____ NO ______. If you are self-employed, or receive significant income from a source not withholding taxes, it is advisable to consult with us on making estimated taxes payments or adjusting withholding from wages (if that applies). If yes, please base estimated tax payments on an estimated adjusted gross income for 2010 of:

$______________________.

Income Information

❐ **W-2 Statements from Employer(s):** Please provide all W-2s.

❐ **Interest (Schedule B):** Please include all 1099-INT, 1099-OID or any other statement showing interest or dividends. Some banks, mutual funds, and brokers combine the 1099 with your end of the year statement.

❐ **Investments & Dividends (Schedule D):** Please include your 1099-Bs and 1099-DIV and a copy of your year-end mutual fund(s) and/or brokerage account statement(s). Please be prepared to provide the cost basis for any stock sold. A **Schedule D Worksheet** is provided as an appendix to this tax organizer to help you calculate capital gains and losses.

❐ **Rental Income (Schedule E):** If you receive income from the rental of real property, please summarize income, expenses and capital improvements in accordance with the attached **Schedule E Worksheet**. Major expense categories are mortgage interest, real estate taxes, condo or association fees, repairs, yard maintenance, insurance and advertising for tenant. Please provide form 1098 showing mortgage interest and real estate taxes. Also, please provide a settlement sheet for the property if you have <u>not</u> already done so.

❐ **State Tax Refund:** If you received any state tax refunds, please provide the 1099-G and a copy of your prior year federal and state income tax returns.

❐**Self Employment (Schedule C):** Please provide a summary of your income, business expenses, equipment purchases for the business, information on home office deduction (if applicable), business use of vehicle (if applicable) and health insurance premiums (if applicable) in accordance with the attached worksheet. We will assist you in accounting for all your expenses and placing them in the proper categories. See our **Schedule C Worksheet** attached to this tax organizer.

❐**Social Security or Disability Benefits:** If you received social security or disability benefits, please provide the annual statement from the Social Security Administration.

❐**Retirement Benefits:** If you received pension or other retirement benefits, including early distributions, please include the 1099-R. Early withdrawals from IRAs (except for rollovers) are taxable in the year of distribution.

❐ **Did you sell your primary residence in 2010?**
Did you live in this home for more then 2 years?
If you did not live in this home for more then 2 years why did you move? The IRS is now allowing more taxpayers to prorate the capital gains exemption due to "unforeseen circumstances"

❐**Other Income?**

Retirement Fund Information

Please provide the annual statements for all retirement funds and tax-deferred annuities. Also please review the questions below and fill in all applicable items.

❐ **Conversion to Roth IRA:** If you converted a traditional IRA into a Roth IRA in 2010, this is treated as an early withdrawal of funds and is subject to income tax. Please provide the dollar amounts. Additionally, special rules apply to conversion of nondeductible contributions to a traditional IRA into a Roth IRA.

❐ Did you **contribute any funds** to a traditional IRA or a SEP/IRA, or other type of deductible retirement plan (exclude tax free rollovers) for the tax year 2010? (This could include payments in the first part of 2010 that were designated as 2010 contributions).

❐ Did you **withdraw any funds** from a traditional IRA, a Roth IRA, a SEP, a 401(k), a 403(b), nondeductible contributions to a traditional IRA, or other type of retirement plan (exclude tax free rollovers)?

❐ Did you **borrow any funds** from a traditional IRA, a Roth IRA, a SEP, a 401(k), a 403(b), nondeductible contributions to a traditional IRA, or other type of retirement plan (exclude tax free rollovers)? Were those funds paid back prior to the penalty period?

Credits, Adjustments & Itemized Deductions

❐ **Home mortgage interest, real estate taxes, points, closing costs:** Please provide a form 1098 for each property. If you purchased and/or sold any properties during 2010, please provide the settlement sheet for applicable properties.

❐ **Charitable Contributions:** For all charitable contributions, please provide the name of the organization, whether the contribution was cash or other items (such as clothing and household items) and receipts, if possible.

❑**State Income Taxes Paid:** Please provide a copy of last year's state and federal tax returns so we can determine if any state taxes paid for prior year liabilities are deductible in the current year.

❑**Sales Taxes Paid:** Taxpayers now have the option to claim sales taxes paid as an itemized deduction instead of state income taxes paid. Only one or the other can be claimed. For most taxpayers, the sales tax deduction will be determined by a table based on your income. However, it you had any big ticket purchases incurring sales tax, you may be able to provide evidence of a higher deduction.

❑**Unreimbursed Medical & Dental Expenses:** If you had a significant amount of medical or dental expenses that were not covered by insurance or paid by another party, you may be entitled to a tax deduction. Travel to and from a medical facility may be deductible (mileage, parking and tolls). Please provide documentation of expenses and discuss the issue with us.

❑**Unreimbursed Employee Business Expenses (Form 2106):** If you are an employee receiving a W-2 and paid for job related items (e.g. books, training courses, dues to professional organizations, etc.) without being reimbursed by your employer, you may be entitled to a deduction. Please provide a summary of expenses by category and receipts, if available.

❑**Energy Credits:** Have you made any improvements to your primary residence related to energy efficient equipment or energy conservation. If so, please detail.

❑**Child Care Expenses:** If you pay for child care, you may be entitled to the Child and Dependent Care Credit (not to be confused with the Child Tax Credit) depending on your filing status, AGI, amounts paid, and other factors. Please provide details of child care expenses. **Important: In order to claim the child care credit, we must have the name, address and federal tax identification number of the child care provider.** Please also inform us if you participated in an employer plan that allows for a pretax deduction for dependent care expenses (up to $5,000).

❐ **Domestic Help (or Nanny):** Please note that if you employ domestic help, you may be subject to additional tax and filing requirements as a household employer. Please indicate how much was paid, on a quarterly basis, and please provide your Employer Identification number along with any state registration account numbers.

❐ **Moving Expenses:** If you moved over 50 miles from your prior residence in 2010, you may be entitled to a deduction for the transportation and storage of your household items and personal affects.

❐ **Education Expenses:** Taxpayers may deduct educational expenses (tuition) as an adjustment to gross income or claim a tax credit. Please list any tuition or other educational expenses paid for by you in 2010. We will optimize the choice automatically for you.

❐ **Student Loan Interest:** Interest on student loans is now deductible in certain circumstances.

Carryforward Information

In certain circumstances, depreciation amounts, net operating losses and other items on a prior year return need to have certain amounts carried forward to the current year.

❐ **Carryforwards from Prior Years (only if we did not prepare your tax returns in 2009 otherwise the information is in our files):** Please indicate if you are aware of any carryforwards from prior years from the following activities:

- ❐ Depreciation of assets purchased in prior years
- ❐ Capital losses subject to $3,000 limitation against active income per year
- ❐ Alternative Minimum Tax
- ❐ Passive activity loss limitations
- ❐ Tax credits not fully used in prior years
- ❐ Other carryforwards

If carryforwards apply, it is important for us to have the tax returns from all tax years with the activity generating the carrryforward.

Other Concerns

Please feel free to contact me with any questions you have about your 2010 taxes.

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Schedule C Worksheet (Self-Employment)

Name of Business: ____
Type of Business: ____
Address of Business: ____

Total Revenue (1099s plus other revenue)	$
Returns & allowances (refunds to customers	$
Cost of goods sold (most service providers do not u COGS)	$

*COGS is direct production costs, such as building materials for a carpenter. Wholesalers and retailers have a more complicated calculation related to goods available for resale.

EXPENSE CATEGORY	AMOUNT	COMMENTS
Advertising		
Commissions		
Employee benefits		
Insurance other than health		
Interest payments		
Legal & professional services		
Office expense (i.e. rent)		
Rent/lease equipment or vehicles		
Repairs & maintenance		
Supplies (generally anything below $500)		
Taxes (not income or sales) and license fees		
Travel & Lodging		
Meals and entertainment		
Utilities		
Wages		
Telephone (local, long distance, cell)		
Postage & Delivery (U.S. mail, overnight deliver couriers)		
Professional reference materials (books, magazines, training materials, etc.)		
Professional membership dues		
Continuing professional education		
On-Line Services (e.g. Internet, AOL)		
Other expenses?		

Special cost categories on following page.

Schedule C Worksheet (Continued)

Special Cost Categories

Special rules apply to equipment purchases, health insurance premiums, vehicles expenses and home office deductions. Please list equipment purchases in 2010 (date of purchase, purchase price, description of equipment), health insurance premiums, vehicle expenses (two methods, mileage vs. actual expenses) and home office deductions (total square footage, itemized costs, and portion of house, as a percent of total square footage, that is used for business purposes) on a separate sheet. These items will be discussed at our meeting.

Prohibition on Payment of Wages to Owners

Internal Revenue Service Circular E specifically prohibits a sole proprietor or owner of an LLC from paying themselves wages. All withdrawals are considered withdrawals of owners' capital, which do not count as expenses.

Bookkeeping Tips

Using an accounting software program, such as QuickBooksPro, is an easy way to track revenues and expenses. However, if you are unfamiliar with those programs, a more basic approach is a 14-column spreadsheet that tracks expense by category and month, and totals at the end.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Tot
Rent													
Supplies													
Etc													
	Tot	Tot	Tot	Tot	Tot	Tot	Tot	Tot	Tot	Tot	Tot	Tot	Tot

Special Rule For Heavy Duty Vehicles

If you purchased a vehicle that weighs over 6,000 pounds you may be entitled to recognize $25,000 of that expense in the 2010 tax year, thus bypassing the normal depreciation limitations on automobiles. To qualify, the vehicle must be 100 percent business use. We believe this is a deduction the IRS will highly scrutinize, particularly the sole business use requirement. If this transaction is relevant to you, please provide the type of vehicle, cost of vehicle and date of purchase.

Sch. D - Capital Gains & Losses Worksheet

Date of Purchase	**Date of Sale**	**Description of Security** **(# of shares, name of co.)**	**Cost Basis**	**Proceeds (Sale Price)**

Schedule E Worksheet (Rental Property)

Type of Property: (Residential rental, duplex, commercial bldg, etc.): ____________________
Do you occupy any of the property? ____________________
Address of Property: ____________________
Total Rent Received in 2010: ____________________

EXPENSE CATEGORY	AMOUNT	COMMENTS
Advertising		
Cleaning & maintenance		
Commissions		
Insurance (property and PMI)		
Legal & professional fees		
Management fees		
Mortgage interest paid to banks		
Other interest		
Repairs (not capital improvements)		
Supplies (not equipment or improvements)		
Taxes (e.g.. real estate taxes)		
Utilities		
Condo or association fees		
Pest control		
Telephone		
Other expenses?		

Capital Improvements & Installation of Equipment vs. Repairs and Supplies

Repairs and supplies are day-to-day items that generally cost below $500. For example, if you spent $100 on a plumber to unclog a toilet, that is a repair. If you replaced the whole commode, it is a capital improvement (installation of new equipment). The purchase of a handful of tiles to replace cracked or water damaged tiles would qualify as supplies or repairs. Replacing an entire floor, or installing new carpeting, would be a capital improvement. General hardware items of low cost are supplies. Repairs and supplies are expensed in the year the expense is incurred. Equipment installation and other capital improvements are depreciated over their useful life. Please list equipment purchases and other capital improvements done in 2010.

Type of Equipment or Capital Improvement	Date of Purchase	Purchase Price