

2023 Tax Checklist for Preparing Current Year Personal Tax Returns

- 1.) Forms and instructions for preparation of your 2023 personal income tax return can be found on within the tab labeled “Documents” on our website at www.jptfinancial.com.
- 2.) As a first step, please read our **Letter to Clients for Individual Client Tax Preparation** found within the “2023 Tax Season Resources” page below “Documents” to familiarize yourself with the overall dates, process and deliverables for the preparation of your income tax return.
- 3.) All clients (new and existing) are required to complete the following forms below “Documents”:
 - **Engagement Contract for Personal Professional Services** (submit prior to the preparation of your income tax return).
 - **Client Data Form**
- 4.) New clients are required to provide us with a copy of your full 2022 prior year income tax return.
- 5.) For identity verification, social security cards are required for new clients and their spouse and/or dependents, as well as for existing clients with a new spouse and/or new dependents.
- 6.) Clients are requested to complete the following forms within the “2023 Tax Season Resources” page below “Documents”, as applicable, for the preparation of your income tax return:
 - Personal Data
 - Dependents
 - Foreign Account Filing (Including FBAR)
 - Health Insurance Coverage
 - Due Diligence – HOH (Head of Household Filing Status)
 - Due Diligence – CTC/ACTC/ODC (Child, Add'l & Oth Dependent Tax Credits)
 - Due Diligence – AOTC (American Opp Tax Credit) Education
 - Due Diligence – EITC (Earned Inc Tax Cred) Head of Household
 - Due Diligence – EITC (Earned Inc Tax Cred) Income
 - Due Diligence – EITC (Earned Inc Tax Cred) Qualifying Child
 - Unemployment Compensation
 - Cash Charitable Contributions
 - Non-Cash Charitable Contributions
 - Mortgage Interest Supplemental Info
 - Child & Dependent Care
 - Sole Proprietor Profit & Loss
 - Small Employer Health Insurance Credit
 - Auto Expense Worksheet
 - Expense for Business Use Of Your Home
 - Employee Business Expenses

- Sale of Capital Assets (Stocks, Bonds, etc.)
- Sale of Home
- Energy Credits
- Casualty and Theft Losses
- Rental Real Estate & Royalties
- Installment Sales
- Household Employment Taxes

7.) Clients are requested to complete the “Direct Deposit & Electronic Funds Withdrawal Information” form below “Documents” to set up a direct deposit of your tax refund and/or electronic funds withdrawal from your bank account or credit card for the payment of any income tax liability if desired.

8.) **GENERAL INFORMATION**

Review the following questions and let our office know if any are applicable to your tax preparation:

- Were there any changes to your filing status or number of dependents during 2023?
- Can you or your spouse be claimed as a dependent by someone else?
- Did you incur any childcare expenses?
- Did you have a change in residence or job location during the year?
- Did you move during 2023? If yes, advise from where and the date of the move.
- Did you reside in more than one state during 2023? If yes, which states?
- Did you receive any notices from the IRS or the state taxing agency? If yes, please provide.

9.) **DIGITAL ASSET QUESTIONS**

Regarding any digital asset activity that you may have had during 2023, did you:

- Receive a digital asset as a reward, award, or payment for property or services?
- Sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)?

10.) **FOREIGN ACCOUNT QUESTIONS**

Regarding any foreign account activity that you may have had in 2023:

- Did you have any income from, or pay taxes to, a foreign country?
- Did the taxpayer have an interest in or authority over any foreign account or foreign trust?
- Did the taxpayer have a financial interest in or signature authority over a bank, securities and/or brokerage account in a foreign country?
- Is the taxpayer required to file FBAR FINCEN form 114 to report that financial interest or signature authority?
- Did the taxpayer receive a distribution from or was the grantor of, or transferor to, a foreign trust?

11.) **INCOME INFORMATION**

Review the following questions and let our office know if any are applicable to your tax preparation:

- Are you missing a W-2 from any employer?
- Did you use your vehicle on the job other than for commuting to work?
- Did you have an employer-provided vehicle which you drove home or used personally? If so, provide the lease value.
- Did you work out of town at any time during the year?
- Did you earn income from a state other than the state in which you live? If yes, what state and how much?
- Did you or your spouse receive any tips not reported to your (or your spouse's) employer?
- Did you receive any disability income during the year? If yes, how much and provide form 1099-R.
- Did you engage in any bartering transactions during 2023?
- Did you surrender any US Savings Bonds during 2023?
- Did you receive any state or local income tax refunds from prior years?
- Do you or your spouse have any IRA accounts?
- Did you re-characterize any IRA's this year?
- Did you or your spouse "roll over" a profit-sharing or retirement plan distribution into another plan?
- Did you receive a Schedule K-1 from a partnership, S corporation or trust? If yes, please provide.
- Did you or your spouse receive any social security benefits during the year? If yes, attach form(s) SSA-1099.
- Did you receive any type of prize, award, or gambling winnings during 2023?
- Did you receive any of the following: Unemployment Income, Combat Pay, Jury Duty and/or Alimony, or Maintenance Received? If yes, what and how much?
- Did you receive any other income not listed above? If yes, please provide type and amount.
- Does anyone owe you money that has become uncollectible?

12.) **BUSINESS INFORMATION**

Review the following questions and let our office know if any are applicable to your tax preparation:

- Did you start a business or purchase any rental property during 2023?
- Have you purchased any business assets (furniture, equipment, etc.) or converted any assets to business use?
- Did you dispose of any business assets (including real estate)?
- Did you own rental property? What percentage of time did you spend managing your rentals?
- Did you purchase any gasoline, diesel, or special fuels for non-highway business use?

13.) **OTHER INFORMATION**

Review the following questions and let our office know if any are applicable to your tax preparation:

- Were any tuition costs paid during 2023 (even if classes were attended in another year)?
- Did anyone in your household attend higher education classes in 2023?
- Did you incur a loss due to damaged or stolen property?
- Did you refinance your principal home or your second home or make a home equity loan during the year? If yes, provide all escrow, closing and other pertinent documentation and information.
- Did you make any gifts to any one person in 2023 in excess of \$17,000? If so, are you splitting this gift with your spouse?
- Did you pay wages to any household employees (babysitter, housekeeper, nanny, etc.)?
- Highlight any extraordinary events that occurred in the current year that may have a tax effect. Here are some examples:
 - (a) You bought or sold property
 - (b) You sold a large portion of stock
 - (c) You had a fire loss
 - (d) You bought or sold a business
 - (e) A tenant in your building did not pay you rent for 6 months
- Are you on a payment plan to the IRS and/or an individual state for any prior year tax liability? If yes, provide details on the payment plan (year in question, original liability owed, payments made to date, and status of liability owed)

14.) Provide our office with the supporting documentation which includes (but is not limited to) the following:

- Form W2 – wages/salaries
- Payments made to you in the course of your trade or business, including 1099-MISC and 1099-NEC forms.
- Unemployment Compensation – Form 1099-G or unemployment check stubs & deposit records.
- Dividends, Interest and Orig. Issue Discount – Forms 1099-DIV, 1099-INT, 1099-OID
- Payment Card & Third Party Network Transactions – Form 1099-K

- Investments Capital Gains & Losses

Broker statement, form 1099-B showing proceeds from the sale of stocks, bonds, etc. & schedule showing original purchase price & date for each investment.

- Forms K-1

Related to investments in partnerships (Form 1065), S-Corps (Form 1120-S) and income from estates & trusts (Form 1041).

- Charitable Contributions

A “record of contribution” is required for ALL cash contributions, regardless of amount, including

- a bank record, such as a canceled check, a bank copy of the canceled check, or a bank statement containing the name of the charity, the date, and the amount, or
- a written communication from the charity that includes the name of the charity, date of the contribution, & amount of the contribution.

Cash contributions of \$250 or more require written acknowledgement from the charity reporting the amount donated, whether the charity gave the taxpayer any good or services in return, & the value of any goods or services the taxpayer received.

- Donations of Property – Includes, but is not limited to

- receipts from charitable agency,
- estimated value of property given, and
- appraisal fees for expensive donations.

Clothing & household items must be in good used condition or better to be deducted as a charitable contribution. If not in good used condition or better, a charitable contribution deduction is allowed if the deduction claimed is more than \$500 & a qualified appraisal is included with the tax return.

- Other charitable donations – Includes, but is not limited to

- prior years’ tax returns if you have unused charitable contributions (carryovers) from earlier years, and
- year-end paycheck stub if donations were paid through your wages.

- Income from Foreign Investments – amount of foreign taxes paid

- Detail of any activity related to Digital Assets where you received, sold, transferred and/or otherwise disposed any financial interest in a Digit Asset.

- Specific Details of Foreign Account activity if foreign account filing (including FBAR) is required.
- Income from stock option exercises & sales – Includes, but is not limited to
 - stock option agreement which shows type of options received,
 - statement showing exercise price of options, and
 - form 1099-B showing proceeds from stock sale
- Sale of employee stock purchase plan shares – Includes, but is not limited to
 - Form 1099-B showing proceeds from stock sale,
 - stock price on grant date, and
 - stock price on purchase date
- Social Security Benefits – Form SSA-1099
- Childcare costs – Includes, but is not limited to
 - cancelled checks or invoices,
 - childcare provider’s name,
 - provider’s address, and
 - provider’s tax ID or social security number
- Education costs – receipts for tuition or cancelled checks for post-high school education
- Adoption costs – legal fees, transportation, other costs
- Alimony received – Receipts/cancelled checks, bank statement or personal recap
- Business or Farming Income – Includes, but is not limited to
 - books/accounting records for your business, or
 - invoices/billings, bank statements, cancelled checks for expenses, payroll records, invoices for major purchases of machinery, equipment, furniture, etc., logs or other records listing vehicle mileage & inventory records if applicable
- Use of Home for Business –
 - Provide square footage of your home office,
 - Provide total square footage of your home,
 - Identify if “Simplified” method should be used for the calculation, or if “Detailed” method is preferred.
 - If “Detailed” method is preferred, provide
 - a. total rent paid if home if rented,
 - b. mortgage interest reported on Form 1098,

- c. property tax payment records,
- d. homeowner insurance payments,
- e. invoices for home repairs & maintenance, and
- f. utility bills

- IRA/Pension Distributions – Includes but is not limited to
 - Form 1099-R for payments from IRA or retirement plans,
 - Account summary form for the year for your IRAs or deposit receipts/contribution records, and
 - Most recently filed form 8606 if you received a distribution from an IRA & if you made non-tax deductible contributions.

- Real Property Net Income – Includes but is not limited to
 - Profit & loss statements from your property manager or
 - checkbook or cancelled checks for expenses,
 - Form 1099-Misc for other records for rental income paid to you,
 - mortgage interest from Form 1098,
 - property tax payment records, and
 - record of suspended rental losses from prior years.

- Income from Sale of Property –
 - If property was sold in current year include records of
 - a. sales proceeds – bill of sale, closing statement or other records,
 - b. cost of property sold – invoices, receipts or cancelled checks, and
 - c. capital improvements – invoices on construction contracts & cancelled checks.

 - If property sold before current year on installment basis include
 - a. form 6252 from prior year,
 - b. amount of principal collected on the note & date of all payments in current year,
 - c. amount of interest collected on the note, and
 - d. the name, address & social security number of the buyer.

- Miscellaneous Income – Includes but is not limited to
 - barter income form 1099-B,
 - jury duty pay records,
 - form W-2G for gambling & lottery winnings,
 - receipts for all gambling purchases,
 - form 1099-MISC for prizes & awards,
 - form 1099-MSA for distributions from medical savings accounts, and
 - real estate tax rebates.

- Listing of asset purchases &/or sales, depreciation schedules & section 179 purchases for your trade or business
- IRA Contributions - Year-end account summary or bank statements
- Keogh & SEP Pension Plans - Year-end account summary, or cancelled checks
- Student Loan Interest - Form 1098-E showing interest paid, or loan statements
- Alimony Paid - Cancelled checks
- Educator Expenses - Cancelled checks for expenses paid for classroom supplies, etc.
- Information on Household Employees –
 - wages paid, and
 - employee’s social security number
- Health Insurance –
 - All taxpayers provide our office with copies of the forms 1095-A, 1095-B and 1095-C
 - For those states that continue have a health insurance mandate, provide copy of your medical insurance card and complete all forms found in the “Health Insurance Coverage” website link as referenced in #6 above.
- Medical & Dental Expenses – Includes, but is not limited to the following:
 - medical bills or cancelled checks,
 - form SSA-1099 for Medicare premiums paid from your social security benefits,
 - self-employed Health Insurance - Insurance premium bills, or cancelled checks,
 - HSA (Health Savings Accounts) contributions & distributions,
 - Medical Savings Account Contributions - Account statements or cancelled checks
 - year-end pay stub if premiums were paid through your wages (only if the deductions were after-tax), and
 - mileage records for trips to the doctor, clinics, etc.
- Tax Payments – Includes, but is not limited to the following:
 - Quarterly IRS & State/Local estimated tax payments – records showing the date paid & amount,
 - If you applied a tax overpayment from prior year to current year, a copy of your prior year income tax return,
 - If you filed for an extension for your prior year tax return – cancelled checks for payments you made with the extension,
 - W-2’s any 1099 forms that show taxes all income taxes withheld for the current years, and

- Prior year income tax returns where refunds were applied to current year income tax liability
- Real Estate Taxes – Includes, but is not limited to the following:
 - Tax collector bills or cancelled checks,
 - Form 1098 or closing statement if you bought, sold, or refinanced property in the current year
- Personal Property Taxes – Includes, but is not limited to the following:
 - Tax bills or cancelled checks, and
 - Automobile licensing bills, if fees are charged annually based on value
- If Purchased Home in Current Year - Provide Copy of HUD Closing Statement
- If Sold Home in Current Year – Includes but is not limited to the following:
 - Provide Copy of HUD Closing Statement for sale of home,
 - Copy of HUD Closing Statement for the original purchase of the home, and
 - detailed listing of all costs made (date, amount and purpose) for all expenses incurred related to the basis of the home.
- Moving Expenses - Invoices from moving companies or cancelled checks & paycheck stub for moving expense reimbursements
- Home mortgage interest & mortgage insurance premiums - Form 1098, or your mortgage statement or bill for the entire current year
- Points - Form 1098 if you purchased a home in current year or your prior year tax return if you refinanced in prior year
- Interest paid on investment loans - Brokers' statements showing margin interest paid & loan statements for loans taken out to purchase investments
- Casualty & Theft Losses – Includes but is not limited to the following:
 - description of property damaged or stolen,
 - receipts or cancelled checks showing cost of property,
 - insurance policy & insurance reports showing reimbursement, and
 - appraisal fees if applicable
- Job Expenses
 - On federal tax return –

One of the results of the Tax Cuts and Jobs Act was removing the deduction for un-reimbursed employee business expenses until 2026 Tax Returns. This

means that employees can no longer reduce their taxable income by deducting employee business expenses (as listed below) or job search expenses.

- On state tax return (where permitted), includes but not limited to the following:
 - a. Reimbursement check stubs or reports from your employer,
 - b. Job travel information, including invoices, receipts, or ticket stubs for transportation, mileage records per vehicle used, hotel bills, restaurant tickets showing name & address of establishment & parking fee receipts,
 - c. Union dues – Paycheck stub for automatic withdrawals,
 - d. Gifts to clients, etc. – receipts showing date, cost, description,
 - e. Supplies – receipts or bills,
 - f. Property purchased for use in your work – invoices, receipts,
 - g. Uniform & special clothing costs – bills or paycheck stubs showing deductions,
 - h. Seminar fees – receipts or invoices,
 - i. Professional publications & books – receipts or invoices,
 - j. Receipts for small tools & supplies you purchased,
 - k. Job search expenses, including long-distance call bills, resume costs (printing, mailing, resume service, etc.), transportation bills & mileage records, employment agency fees & career counseling costs & (12) job-related educational expenses, including tuition, fee, & book receipts for education that maintains or improves your present skills, transportation receipts, & lodging receipts if you take classes away from home

- Other Miscellaneous Deductions –

- (a) On federal tax return –

One of the results of the Tax Cuts and Jobs Act was removing the deduction for many other miscellaneous deductions until 2026 Tax Returns.

- (b) On state tax return (where permitted), includes but not limited to the following:

- Tax return preparation fees – invoices or cancelled checks,
 - Cost of tax return preparation software & books – receipts or cancelled checks,
 - Safe deposit box rental fees from bank invoice or statement, and

 - Investment fees, custodial fees, trust administration fees, and other expenses you paid for managing your investments that produce taxable income.