



January 2024

Dear Clients,

Welcome to tax season 2023! Hopefully, you have remained healthy through this trying time. We urge you to gather your tax information as early as possible to avoid the rush.

In an effort to help you prepare for tax season we would like to highlight the following:

- The standard deductions for 2023 are: Married filing joint \$27,700 (65 or older add \$1,850/per person), Single \$13,850, Head of Household \$20,800 (65 or older add \$1,850). Check your amounts before you go to the trouble of providing us with more information than we may need.
- We have a secure client portal on our website. If you have electronic files that you would like to provide to assist us in preparing your taxes, you can send them to us in a secure environment. Just let your preparer know and we can set up a portal for you to use. We will be sending information for our new portal and encourage using the new portal as you will be able to view previous years as well as pay your bill.
- With the rise in identity theft issues, some taxpayers may have been issued an “IP PIN” from the IRS. If you have been assigned an IP PIN, you must provide this number to us. **The IRS will reject any return for a taxpayer that was assigned an IP PIN if that number is not reported on their return.**
- **1099 forms must be filed by any business, rental property owner or non-profit organization who pays \$600 or more** to an unincorporated business for services during the year. **These forms must be filed no later than January 31st.** If you need assistance filing these forms or have any questions, please call us as soon as possible so we can help you to be in compliance with the filing requirements.
- **1099-K Issuance** - In November 2023, the IRS released FS2023-27 delaying the new \$600 Form 1099-K reporting threshold requirement for third party payment organization for tax year 2023 until tax year 2024 (for reporting in January 2025) and is planning a threshold of \$5,000 for 2024 to phase in the new law.

Third party payment organizations include many popular payment apps and online marketplaces.

This means that for 2023 and prior years, payment apps and online marketplaces are only required to send out Forms 1099-K to taxpayers who receive over \$20,000 and have over 200 transactions. For tax year 2024, the IRS plans for a threshold of \$5,000 to phase in reporting requirements. **Taxpayers should be aware that while the reporting threshold remains over \$20,000 and 200 transactions for 2023, companies could still issue the form for any amount.**

- **Employee Retention Credit** - Amended 941-X awaiting refunds: IRS has issued a withdrawal process of those returns if you believe they have been filed in error.
On December 21, 2023, the IRS released instructions and forms to repay ERC claims made in error. If you previously amended your payroll reports for the ERC, please contact us to discuss and make sure you did qualify and all requirements were met.
- If you have a partnership, corporation, or LLC that files as a partnership or corporation make sure you know the due date of your return. Calendar year Partnership and “S” Corporation tax returns are due by **March 15th** so be sure to get your tax information to us no later than February 15th if you wish to file a return by the due date. Information received after March 1st will most likely require an extension request to be filed.
- If you qualify for a tax refund and want to receive it as soon as possible, please be sure to have your tax information to us by the first week of February. The IRS begins to issue refunds starting February 15th each year. You can also provide us with your direct deposit information because your refund will arrive sooner by direct deposit versus a paper check. **Please verify your bank account information for direct deposit.**



HUTCHINSON, GILLAHAN & FREEH, P.C.
ACCOUNTANTS, AUDITORS & CONSULTANTS



- If you purchased your health insurance through the Health Insurance Marketplace or your employer and received a subsidy you will receive a 1095-A/B form. **We must have this form to properly prepare your tax return.** Failure to report this information correctly will result in a notice from the IRS that can be avoided.
- If you have any foreign bank accounts, are the beneficiary of a foreign trust or own a material amount of foreign investments or at any time during 2023, you received, sold exchanged or otherwise disposed of any financial interest on any virtual currency, be sure to let us know. **There are significant and serious penalties for not properly reporting certain foreign holdings and virtual currency (i.e., such as Bitcoin) transactions.**

Once you have gathered all your tax records you can drop them off at our office, upload them to our secure portal or mail them to us. If you have any special tax situations that require more than a phone call to communicate, please feel free to call our office to schedule an appointment. We are always happy to help. Please keep in mind that additional tax consultations may add more time to your tax return preparation and can result in additional fees. If you bring your tax information to us after April 1, 2024 (March 1, 2024 for S Corporations and Partnerships) we will most likely have to file an extension request.

We look forward to providing tax services to you and we want to make sure you are aware that we also offer many other tax and accounting services, such as estate and retirement tax return preparation and planning, auditing and other financial statement and attest services, bookkeeping, consulting and other accounting services. Please feel free to call us for any accounting needs you may have.

Sincerely,

Hutchinson, Gillahan & Freeh, P.C.

and

MVA



2023 Year End Tax Guide

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2023 ENGAGEMENT AGREEMENT

We apologize for the length of the engagement agreement Accounting Standards require that we communicate certain information to you. If you have any questions, please feel free to contact us.

Dear HG&F & MVA Clients:

This letter is to confirm and specify the terms of our engagement with you. for the year ended December 31, 2023 and to clarify the nature and extent of the tax services we will provide.

We will prepare the federal and state individual income tax returns for calendar year 2023 as listed on the attached exhibit. We are not responsible for returns not on the list. We are under no duty to review the information you provide to determine whether you may have a filing obligation with another state. If we become aware of any other filing requirement, we will tell you of the obligation and may prepare the appropriate returns at your request as a separate engagement.

This engagement letter does not cover the preparation of any financial statements, which, if we are to provide, will be covered under a separate engagement letter.

We are not investment counselors or brokers. Our advice concerning a particular investment shall be limited to advising you with regard to the tax ramifications of the investment. It shall not include advising you regarding the economic viability or consequences of the investment or whether or not you should make the investment. Our advice regarding the tax ramifications of the investment shall be based on documents and information that you provide us regarding the investment.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, canceled checks, and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable fee. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns. We will not verify the information you give us; however, we may ask for additional clarification of some information.

Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having a value exceeding \$10,000 in a foreign country shall report such a relationship. Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts even if the taxpayer does not have foreign account(s). For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

In addition, the Internal Revenue Service also requires information reporting under applicable Internal Revenue Code sections and related regulations, and the respective IRS tax forms are due when your income tax return is due, including extensions. The IRS reporting requirements are in addition to the U.S. Department of the Treasury reporting requirements stated above. Therefore, if you fall into one of the categories below, or if you have any direct or indirect foreign interests, you may be required to file applicable IRS forms.

- You are an individual or entity with ownership of foreign financial assets and meet the specified criteria (Form 8938) and/or FinCEN Form 114

- You are an officer, director, or shareholder with respect to certain foreign corporations (Form 5471)
- You are a foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business (Form 5472)
- You are a U.S. transferor of property to a foreign corporation (Form 926)
- You are a U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A)
- You are a U.S. person with interests in a foreign partnership (Form 8865)
- Other items as necessary

You should also know that IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation such as travel and meal expenses and expenses for business usage of autos and computers. In preparing your returns, we rely on your representations that we have been informed of all bartering transactions and that you understand and have complied with the documentation requirements for your expenses and deductions. If you have questions about these issues, please contact us.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

In accordance with federal law, in no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The Internal Revenue Code and regulations impose preparation and disclosure standards with non-compliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that don't meet these standards. Accordingly, we will discuss tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we concluded that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement and you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate upon our withdrawal.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

It is our policy to keep records related to this engagement for 5 years. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

By signing this engagement letter, you acknowledge and agree that upon the expiration of the 5-year period, we are free to destroy our records related to this engagement.

Pursuant to Circular 230, we are required to advise you that any federal tax advice contained herein or in any communication resulting from this engagement is not intended or written to be used, and cannot be used, by the addressee or any taxpayer for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code or for promoting, marketing, or recommending to another party any plan or arrangement addressed in the communication.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax

advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney’s fees, court costs, outside adviser’s costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax return(s).

Our fees for tax services will be based in part upon the amount of time required at our standard billing rates for the personnel working on the engagement, plus out-of-pocket expenses. All invoices are due and payable upon presentation. [Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of 1.5% per month (18% per year). If for any reason the account is turned over to an attorney for collection, an additional charge of 33 1/3% will be added to cover collection costs.]

In the event of a dispute related in any way to our services (other than our efforts to collect a past due invoice), our firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator’s fees and expenses equally, but otherwise will bear our own attorneys’ fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party’s identity for purposes of the award of attorneys’ fees.

We have the right to withdraw from this engagement, in our discretion, if you don’t provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

If the foregoing correctly sets forth your understanding of our tax engagement, please sign this letter in the space below and return it to our office. If you disagree with any of these terms, please notify us immediately.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

Hutchinson, Gillahan & Freeh, P.C. and MVA

AGREED TO AND ACCEPTED

_____ Date

Taxpayer

Spouse

PLEASE READ AND SIGN BEFORE FILLING OUT THE ORGANIZER.

NOTE: Delivery of your tax documentation to our office is conclusive that you have read and agree to the provisions of this agreement.

2023 INCOME TAX ORGANIZER AND TAX GUIDE



TAX PLANNING TIPS

This booklet is to assist you in compiling all of the necessary information to help us prepare your tax return accurately.

If you decide not to fill out this booklet, it is important that you still fill out page four (4) to keep our records up to date.

PLEASE ATTACH:

- All W-2's for Wages
- 1099-INT for Interest
- 1099-DIV for Dividends
- 1099-B for Brokerage
- 1099-MISC for Misc. Income
- 1099-NEC for (Non-Emp. Compensation)
- 1099-R for Retirement
- K-1 forms from Investments in S corporations or partnerships
- Form 5498 for IRA values IRA and Roth IRA contributions for 2023
- All Forms 1095 and/or 1099H for Health Insurance Coverage
- Childcare costs, and the name, address, amount, and ID# of the recipient
- Charitable donations-total amounts and receipts
- Property Taxes 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
- W-2G for Gambling
- 1099-INT for Mortgages
- 1099-G for Refunds & Unemployment
- 1098-T for Tuition
- SSA-1099 for Social Security
- 1099-K for Income
- 1099-SA for HSA's

TAX DOCUMENTS DELIVERED TO US LESS THAN 15 DAYS BEFORE THE APPLICABLE TAX RETURN DUE DATE MAY REQUIRE EXTENSIONS.

PERSONAL QUESTIONNAIRE

NAME: _____

PLEASE: Take the time to answer the following questions **BEFORE** dropping off your tax information. The questionnaire is not only intended to save time but more importantly, to ensure that important information is not overlooked while preparing your tax returns. If you need help with any of the questions, put a “?” to the left of the question(s) and we will discuss it.

GENERAL QUESTIONS

Yes No (Check the Box either Yes or No)

1. Did you change your address or move during the year?
2. Did you or your spouse change jobs or employers?
3. Do you want \$3.00 of your tax to go to the Presidential Election Campaign?
4. Did your marital status change?
5. Can someone else claim you as a dependent?
6. Are you or your spouse aged 65 or over, and/or blind?
7. List the names and social security numbers of any new dependents:

8. Are any of your dependents **NOT** citizens or residents of the U.S.?
9. Did your children under age 18 have income of more than **\$1,250**? (Children can earn =\$4,700 and still be claimed as dependents.)
10. Did you give anyone anything valued at more than **\$17,000** during the year?
11. Were you notified by the IRS or other taxing agencies because changes are being made to prior year tax return(s)?
12. Did you make any estimated tax payments during the year? **(provide details (i.e., dates and amounts))**
13. Did you engage in any barter transactions during the year?

QUESTIONS RELATING TO TYPES OF INCOME

14. Did you receive any payment(s) from a **Pension**, IRA or Profit-Sharing Plan? **(provide 1099-R's)**
15. Did you or your spouse receive any **disability** payments this year? **(provide 1099's)**
17. Did you “rollover” any **IRA** or **Pension** funds this year? **(provide 1099-R's)**
17. Did you receive any **rent** or royalty income?
18. Did you have income or expenses from any business activity? **See “Business Questionnaire”**
19. Are you a partner in a partnership or do you own stock in a Sub-S Corporation? **See “Business Questionnaire”**
20. Did you have any investments for which you were not personally “At Risk?” **See “Business Questionnaire”**
21. Did you have any income or expenses associated with farming?
23. Did you receive any unemployment income?
24. Did you receive any tips not reported to your employer? **(provide amounts)**
24. Did you receive any income from interest or dividends? **(provide 1099's)**
25. Did you receive any “Tax-Free” or “Tax-Exempt” income?
26. Did anyone forgive any amount of money you borrowed?
27. Did you loan any money to another person?
28. Did you trade any investment property for similar property?
29. Did you receive income from any unusual sources **(lottery, gambling, etc.)?** (Provide W-2G)
30. Did you pay or receive any alimony? **(provide amounts)**
31. Did you sell any stocks or bonds, or engage in any transactions involving traded options? **(provide 1099-B's)**

32. If you sold stock or securities on which you claimed a loss, did you buy stock or securities (which were substantially identical to the stock or securities you sold) within a 60-day period, beginning 30 days prior to, and ending 30 days after the date of sale?
33. Did you receive a refund of state, local income taxes or real estate taxes? **(provide 1099-G's)**
34. Did you receive any income from the Social Security Administration? **(provide 1099-SSA)**
35. If you're age 65 or older or disabled did you or your spouse receive less than \$5,000 from Social Security?
36. Did you receive any **incentive stock options** from your employer? (provide details)
- 36a. At any time during the tax year, did you or your spouse have an interest in, or control over, **a foreign financial acct.?**
- 36b. If YES, did the account(s) have a grand total value of \$10,000 or more at any time during the year?
37. Were you or your spouse the grantor of, or transferor to, a **foreign trust** which existed during the current tax year, regardless of whether or not you or your spouse had any beneficial interest in it?
38. Did you contribute to an IRA, SEP or KEOGH plan – or do you plan to?
39. Did you incur any early withdrawal penalties in your savings account(s) or CD's?
40. Did you pay anyone to **care for your children or dependents** so you could work?
41. Did your employer pay any part of your childcare expenses?
42. Did you purchase gasoline, lubricating oil, or special fuels for non-highway use in farm or construction vehicles, or airplanes during the year?
43. Did you pay any adoption costs?
44. Did you pay any educational expenses? **(provide 1098-T)**
45. Did you make any changes to make your business accessible to handicapped persons?
46. Did you pay anyone \$2,600 or more for **domestic service's** in or around your home? (i.e., Babysitting, Child Care, Lawn Care, Cleaning, etc.)
47. Did you contribute to a 529 (Qualified Tuition Program) for anyone in 2023? (Provide amounts)
48. Did you receive, sell, exchange or otherwise dispose of any financial interest in any virtual currency transaction?
49. Do you participate in the Sharing Economy? (Uber, Air BNB, Lyft, etc.)
- 49a. **NEW – If you received a 1099-K form we need a copy of it and a note indicating the purpose of the payment.**

QUESTIONS RELATING TO ITEMIZED DEDUCTIONS OR PA/LOCAL ALLOWABLE DEDUCTIONS

50. Do you owe any money to anyone?
51. Do you provide your own medical insurance? **DIRECT Y / N :THROUGH EXCHANGE Y / N PROVIDE 1099-H**
- 51a. Did you contribute to either a Health (HSA) or Medical (MSA) Savings Account? (Provide S498-SA)
52. Did you pay for Long-Term care insurance?
53. Did you buy eyeglasses, dentures or other medical items this year?
54. Did you pay an "Occupation," "Occupation Privilege" or "Local Service" Tax?
55. Did you make interest payments on a mortgage or investment loan?
56. Did you contribute any money, goods or other assets to charity?
57. Did you pay any union dues?
58. Did you provide uniforms, safety clothing, or tools for your job?
59. Did you incur any expenses in collecting or recovering taxable income?
60. Did you incur any unreimbursed business expenses, which were required by your employment?
61. Did you pay for any employment-related education?
62. Did you incur any unreimbursed employee business expenses? If so, see **"Business Questionnaire."**
63. Did you pay for medical expenses through your HAS or MSA? (Provide 1099-SA)

USE TAX ALERT:

64. Did you make any purchases which are subject to PA Sales Tax from vendors who did not charge tax (i.e., internet purchases)? If so, please provide your actual use tax liability. If we don't hear from you, we will **ASSUME** you have paid all required sales tax.

Please answer all questions on this page.

If we prepared your prior return and the information is unchanged write "SAME".

Name and Basic Tax Information:

Taxpayer's Name: _____

Occupation: _____ Date of Birth _____

Contact # _____ Social Security # _____

Email: _____

Spouse's Name: _____

Occupation: _____ Date of Birth _____

Contact # _____ Social Security # _____

Email: _____

Address: (New?) Yes No

Street: _____

City, State & Zip _____

School District _____

Date of Move _____

Did your **marital status** change during the year? Yes No

Do you want \$3.00 of your taxes to go to the **Presidential Election Campaign**? Yes No

IF YOU WANT DIRECT DEPOSIT, PLEASE PROVIDE YOUR BANK ACCOUNT INFORMATION.

Bank _____ Checking Savings

Routing # _____ Account # _____

TO MEET IDENTITY THEFT AUTHENTICATION REQUIREMENTS, PLEASE PROVIDE YOUR DRIVER'S LICENSE INFORMATION.

Taxpayer	Spouse
Driver's License # _____	Driver's License # _____
Issue Date: _____	Issue Date: _____
Expiration Date: _____	Expiration Date: _____
State of Issuance: _____	State of Issuance: _____

MISCELLANEOUS INCOME (CONT'D)

Prizes/Awards/Contest Winnings _____

Commissions/Bonuses (Not Reported) _____

Disability Pay _____

Retirement Income* _____

Gambling (Attach W-2G's/Lottery Winnings (\$_____ 2023 Losses) _____

***Please provide ALL INCOME /EXPENSE SCHEDULE(s) and/or 1099-MISC's or 1099-NEC's**

**** Please provide ALL K-1's.**

NON-TAXABLE INCOME

Child Support or Assistance _____

Veterans Benefits _____

Workmen's Compensation _____

CAPITAL GAINS AND LOSSES

Sales of Property / Real Estate / Stocks / Bonds, Etc.

Name of Company/Shares	Date Acquired	Date Sold	Sales Price	Cost	Profit/Loss
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

NOTE: Please provide ALL 1099-B'S.

NOTE: If You Sold Tax Free Municipal Bonds, You Must Report the GAIN or LOSS.

PURCHASE OR SALE OF PERSONAL RESIDENCE

Did you use the residence exclusively as a residence in 2 out of the 5 years preceding the date of sale? Yes No

Date Old Residence Acquired _____
 Original Cost _____
 Improvements _____
 Fixing Up / Repair Expenses _____
 Date When Old Residence Sold _____
 Expenses of Sale _____

***NOTE: Please provide settlement sheets from PURCHASE AND SALE of property sold.**

NOTE: WITH THE NEW STANDARD DEDUCTION, ITEMIZING YOUR DEDUCTIONS MAYBE A WASTE OF YOUR TIME. PLEASE VERIFY.

MEDICAL INSURANCE – PAID DIRECTLY BY YOU

	<u>Taxpayer</u>	<u>Spouse</u>
Blue Cross / Blue Shield / Major Medical	_____	_____
Long-Term Care	_____	_____
Other Health Care Insurance	_____	_____

NOTE: IF YOU PURCHASED YOUR HEALTH INSURANCE THROUGH THE EXCHANGE AT A DISCOUNTED RATE, WE MUST HAVE YOUR 1095 AND/OR 1099H FORM.

ITEMIZED DEDUCTIONS - MEDICAL

NOTE: IF YOUR MEDICAL EXPENSES DO NOT EXCEED 7.5% OF YOUR INCOME YOU WILL NOT BE ABLE TO ITEMIZE YOUR MEDICAL EXPENSES AND YOU DO NOT NEED TO COMPLETE THE REMAINDER OF THIS PAGE. IF YOU HAVE ANY QUESTIONS PLEASE CALL OUR OFFICE TO SPEAK WITH ONE OF OUR TAX PREPARERS.

	<u>Taxpayer</u>	<u>Spouse</u>
Prescriptions	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____

MEDICAL COSTS PAID TO DOCTORS OR OTHER PROVIDERS

List by Name

_____	_____
_____	_____
_____	_____
_____	_____

MEDICAL TRANSPORTATION, LODGINGS, ETC.

Lodging Expenses – Travel for Medical:

Treatment (up to \$50.00 per night away from home)	_____
Transportation (number of miles) (22¢/mile) (1/1/23 to 12/31/23)	_____
Parking and Tolls	_____
Reimbursements made directly to you by Medicare or other insurance plans.	_____

ITEMIZED DEDUCTIONS (CONT.)

Interest Paid*	Amount
Home Mortgage-Financial Institution	_____
Home Equity Loan (See Note below)	_____
Home Mortgage-Paid to an Individual*	_____
Investment Interest	_____

* List Name, Address and SSN# of Individual Holding Mortgage

NOTE: If you paid interest on home equity loan(s), please provide the following:

Home Interest	Amount
Cost of Home	_____
Improvements to Home	_____
Fair Market Value of Home	_____
For each home equity loan please provide:	
Date of Loan	_____
Amount Borrowed	_____
Amount of the loan Proceeds used to purchase or improve your home.	_____
Amount of the loan proceeds used to pay-off previous acquisition debt.	_____

NOTE: CREDIT CARD AND OTHER PERSONAL INTEREST IS NOT DEDUCTIBLE.

NEWLY ACQUIRED HOME EQUITY LOAN INTEREST IS ONLY POTENTIALLY DEDUCTIBLE IF THE FUNDS ARE USED TO ACQUIRE OR IMPROVE YOUR HOME.

RETIREMENT PLANS

Do you or your spouse have an **IRA**? Yes No

If so, list the amount you have contributed or intend to contribute for this year.

IRA payments made -

	Type**	Amount Contributed		Date Paid
		Taxpayer	Spouse	
2023 for 2023	_____	_____	_____	_____
2024 for 2023	_____	_____	_____	_____

** T = Traditional or R = Roth
Include Form 5498

Are you or your spouse covered by a pension plan? Yes No

If either spouse is an active participant under a Pension Plan, you may not be entitled to a regular **IRA DEDUCTION** – you may want to consider a **ROTH IRA. (Check with your preparer to see if you qualify)**

AUTOMOBILES USED IN BUSINESS

	Total Miles	Business Miles	Commuting Miles	Personal Miles
Jan – Dec (65.5¢/mi)	_____	_____	_____	_____
Vehicle Type (Make/Model/Electric/Hybrid/Gas only)	_____			
Beg. Yr. Odometer	_____	End Yr. Odometer	_____	

Do you have written evidence to support your vehicle mileage? Yes No

Do you have another vehicle for personal purposes? Yes No

If your employer provided you with a vehicle, is Personal use during off duty hours permitted? Yes No

UNREIMBURSED EMPLOYEE BUSINESS EXPENSES
 Deductible Only for PA and PA Local Or Other States – Where Applicable

Union Dues _____
 Professional Dues _____
 Business Publications _____
 Small Tools and Safety Equipment _____
 Educational Expense _____

NOTE: To qualify for the PA and PA Local tax deduction the expenses must be required by the employer as a condition of your employment.

ADJUSTMENTS TO INCOME

Alimony Paid (Only for Divorces executed prior to 2019) _____
 Recipient's Last Name: _____ Recipient's SSN# _____
 HSA/MSA Contribution _____

Education: (Attach 1098-T and/or Receipts for Payments made)

	Beneficiary or Student	Institution	Amt. Paid
529 Contribution	_____	_____	_____
Tuition Paid	_____	_____	_____
Student Loan Interest	_____	_____	_____

SPECIAL DEDUCTIONS – CHILD AND DEPENDENT CARE

Dependent	DOB	Relationship
A.	_____	_____
B.	_____	_____
C.	_____	_____

To Whom Paid	Taxpayer ID	Amount Paid
A.	_____	\$ _____
B.	_____	\$ _____
C.	_____	\$ _____

NOTE: SPECIAL TAX RULES APPLY FOR DEPENDENT CHILDREN UP TO AGE 24 (KIDDIE TAX)

REFUNDS RECEIVED LAST YEAR

	Amount
Federal	
State	
Local	
Carryover from 2022**	
Federal	
State	
Local	

****NOTE: If Last year's tax return showed that your overpayment was to be credited and instead it was refunded to you, please let us know as this will change your current year tax return.**

Please fill in your payments even though we provide you with the recommended estimated tax payment – we have no way of knowing if the payments were made as recommended.

ESTIMATED TAX PAYMENTS

Due	Date Paid	Check #	Federal	State	Local (T)	Local (S)
Payment 1 (4-15)						
Payment 2 (6-15)						
Payment 3 (9-15)						
Payment 4 (1-18)						
		TOTAL	\$			

INCOME

1. Be sure you have your **W-2's** and **1099's** (forms showing amounts paid to you).
2. Gather all records of **any money received** in **2023** from the sale of stocks, bonds, or real estate. Provide **ORIGINAL 1099-B or 1099-S** forms from Brokers – we will return the documents to you.
3. **Social Security** and **Tax Exempt Income** has to be considered, so please provide these forms as well.
4. Any other money, goods or services you received without charge from any source may have a bearing on your income tax returns, so please make note of all such amounts.

DEDUCTIONS AND EXEMPTIONS

Year	Standard Deductions				
	Single	Married Joint	Married Separate	Head of Household	Surviving Spouse
2023	\$ 13,850 *(+1,850)	\$ 27,700 *(+1,500)	\$ 13,850 *(+1,500)	\$ 20,800 *(+1,850)	\$ 27,700 *(+1,500)

*Per person – add for Blindness or 65 and older.

If you can itemize more than the standard deduction amounts you will need to gather the totals listed in A through G below. Standard deductions for persons eligible to be claimed as a dependent by someone else are limited to the **greater of \$1,100 or \$350** plus their earned income (up to their standard deduction).

A. MEDICAL

1. You must absorb up to **7.5%** of your total income in medical expenses before the excess medical expenses are deductible.
2. List your costs including any **amounts paid to doctors, dentists, hospitals, and nursing homes, etc. and health insurance** (including **Long-Term Care insurance** within limits (keep separate).
3. List your cost of **Prescription** medicines and drugs.
4. List amounts paid for **medical items** such as glasses, hearing aids or other expenditures for medical reasons.
5. **Transportation** – miles traveled to and from doctors, hospitals, etc. are deductible at 18¢ per mile. Actual costs of other medical travel may also be deductible.

B. INTEREST COSTS

1. **Mortgage** – We need the Form(s) 1098 provided by your lender(s) for your regular mortgage and/or home equity loan(s). (Subject to limitations)
2. **Investment Interest** – Interest paid on loans used for investment. (Subject to limits).
3. **Student Loan Interest** – (Subject to phase-out based on income).

C. TAXES (State and local taxes are limited to \$10,000)

1. Amounts paid for **Real Estate taxes**.
2. Other Taxes – **Occupation, Personal Property**, etc.
3. State and Local Income **Taxes**.

D. CASUALTY LOSSES (PERSONAL)(Only deductible for federally declared disaster areas)

Only the excess over 10% of your Adjusted Gross Income (AGI) plus \$100 is deductible.

A casualty may result in a gain depending on insurance payments received. Provide all details.

E. CONTRIBUTIONS

Prepare a list of everything you contributed to charity. Remember, the more receipts you have the more solid your deduction, if you are audited by the **IRS**. Don't forget mileage for charity work at 14¢ per mile, and expenses you incurred in doing charity work. Penalties apply for greatly overvaluing items contributed to charity so make sure your values are realistic if you gave items other than cash. Valuations of \$5,000 or more for non-cash donations must have a bonafide appraisal attached to the return. Valuations of \$500 or more for non-cash donations must be itemized in detail.

SPECIAL NOTE: Contributions of \$250 or more **MUST BE** documented with a receipt from the charity.

ALL contributions now require a receipt or bank record – even cash donations. Clothing must be in good condition.

B. SPECIAL DEDUCTIONS AND CREDITS

- Adoption Expenses
- Child Care Costs
- Disability Income Credit
- Disabled Access Credit
- Educational Expenses
- Health or Medical Savings Account
- Qualified Business Income Deduction
- Retirement Acct. (IRA, Keogh or SEP)
- Sale of Personal Residence
- Student Loan Interest

F. DOMESTIC WORKERS

The Social Security Domestic Employment Reform Act of 1994 requires that you compute and pay Social Security taxes on wages paid to any domestic employee who is paid \$2,300 or more during the year. Unemployment taxes apply if you paid \$1,000 or more in any quarter.

If you think any of these areas involve you, give us a call so we can check. Complicated conditions frequently apply and often change.

GENERAL INFORMATION NEEDED

- A. **Estimated Tax Payments** – We need to know the dates and amounts paid **toward** 2023 Federal, State and Local Income Tax Liabilities. (Other than withholding.)
- B. If you had any **Stock or Real Estate Transactions**, we'll need to know purchase dates and costs as well as sale dates and proceeds. We need settlement sheets for real estate, and broker statements for stocks. Brokers report stock sales to the IRS and to you with a 1099-B and Real Estate Sales with a 1099-S. We will need copies of those forms. We also need the gain/loss statements from brokers.
- C. If you have a **Rental Property** we'll need to know the total rent received and totals of all expenses during the year, summarized by type of expense. In addition, if you use your rental property personally during the year, we need to know the number of days of personal use.
- D. In order to take advantage of the **IRA deduction** you must make your payment on or before **April 15, 2024**. Taxable Alimony received may be considered when determining the IRA contribution you may make for the year. Check with us on limitations on deductibility if you or your spouse is covered by a pension plan. We need to know amounts paid. SEP-IRA's must be funded by the due date of the return.
- E. Please note: If you have a dependent who is at least 1 year old you **must provide a social security number (TIN)** for that person on your return. If you have a dependent who does not have a social security number contact the nearest social security office and obtain one before filing your 2023 return. Lack of the correct TIN may result in loss of credits and/or favorable filing status.

Obviously, there are many other possibilities for deductions, which we will go over with you when we gather the information for your return. In the meantime, if you believe you have a deduction but are not sure, please call and we will let you know if you do and what records you'll need to substantiate it.