



## TAX CHECKLIST

Some of the more common items and information required for the preparation of tax returns are listed below. If you would like a more detailed questionnaire, please visit our website at [www.qualitytax.org](http://www.qualitytax.org) or contact our office.

### PERSONAL INFORMATION

Full Names-as shown on Social Security card, birthdate, marital status, address, and phone number.

### DEPENDENTS

- A. Social Security name, number, birthdate, and for all dependents
- B. Did any child turn 19 years old?
- C. Was any dependent claimed on another person's return, or did they file their own return?
- D. Any child under age 18 with interest and dividends more than \$1,150?
- E. Add or delete any dependents?

### INCOME

- A. Forms W2, 1099 Interest and Dividends, Social Security, Gambling, Unemployment, Pension and IRA distributions, Sale of Property, etc.
- B. Form K-1 from Partnerships, Estates, Trusts, etc.
- C. Alimony.

### MEDICAL COSTS/ACA PREMIUM CREDIT

*If total is more than 7.5% of income*

Medical insurance, Long Term Care insurance, doctors, dentist, prescriptions, glasses, hospitals, medical equipment, travel, etc.

Form 1095-A required for insurance purchased on health exchange.

### TAXES

DMV vehicle license fee (VLF) portion only, property taxes (home, boat, airplane, etc.), and sales tax on vehicles and large items.

### INTEREST

Mortgage on personal residence and second home. Can be an RV. If paid to an individual, their name, address, and Social Security number is required.

### CHARITABLE CONTRIBUTIONS

- A. Money donations to qualified charitable organization. Documentation (canceled check or receipt) required for any amount. Payroll deduction to United Way, etc.
- B. Travel and Expenses for above organizations if a volunteer, leader or chaperone, etc.
- C. Non-cash donations of clothing, household items, etc. If total is over \$500, the name, date, and address of organization and description of articles given is required. Receipt is required for all donations. Appraisal required if value of any item is \$5,000 or more. Special rules apply to cars. Must have letter from charity stating the vehicle selling price.

### MISCELLANEOUS DEDUCTIONS

(CA only, If more than 2% of income)

- A. EMPLOYEE: Union dues, Professional dues, licenses, subscriptions, Uniforms, Supplies required for job, Insurance, Continuing education, Job travel and meals, Teacher classroom expenses.
- B. OTHER: Tax advice and preparation fees, investment journals and fees, etc.

### CREDITS

- A. Child Tax Credit up to \$2,000 per qualifying child under the age of 17.
- B. Education-Qualified college tuition and certain mandatory fees qualify and are listed on form 1098-T from school, **normally downloaded from school account** (1098-T required for credit or deduction). Mandatory enrollment fees and material expenses may also be allowed. Books allowed, if for first 4 years of school. KEEP RECEIPTS.
- C. Child Care-Provider's name, address, telephone number and tax ID are required.
- D. Renter's credit if rented in California more than 6 months.
- E. Solar-Statement from installer listing full cost including installation.
- F. Electric vehicle purchase agreement.

### IRAs

Contributions and withdrawals for both Traditional and Roth IRAs

### SALE OF STOCK AND SECURITIES

1099-B from brokerage including date, description, and quantity purchased and sold

### RENTAL PROPERTY

A. Income, Expenses, Improvements, Sales, etc.

### SELF-EMPLOYED

- A. Income, Expenses, Improvements, Sales, etc.
- B. \*Need to issue form 1099? See below.
- C. Form 1099-K if paid over \$600 from third-party networks for goods and services.

### ESTIMATED TAXES

Payment of estimated tax to IRS or State. Need date and amounts paid. 4<sup>th</sup> quarter payments to state should be made in December if you itemize.

\*Payments of \$600 or more to individuals (independent contractors) for personal services, that will be deducted on the tax return, must be reported to the IRS, FTB, and the individual. You need the name, address, and Social Security or tax ID of the payee. Forms 1099 are required to be issued by January 31<sup>st</sup>. We can process these for you. Please call.



## HIGHLIGHTS FOR TAX YEAR 2022

### 2022 TAX RATES

- 10% (income up to \$10,275 for individuals; up to \$20,550 for married couples filing jointly)
- 12% (over \$10,275 to \$41,775; over \$20,550 to \$83,550 for couples)
- 22% (over \$41,775 to \$89,075; over \$83,550 to \$178,150 for couples)
- 24% (over \$89,075 to \$170,050; over \$178,150 to \$340,100 for couples)
- 32% (over \$170,050 to \$215,950; over \$340,100 to \$431,900 for couples)
- 35% (over \$215,950 to \$539,900; over \$431,900 to \$647,850 for couples)
- 37% (over \$539,900; over \$647,850)

### STANDARD DEDUCTION AND PERSONAL EXEMPTIONS

- The standard deduction has been increased to \$12,950 for individuals, \$19,400 for head of household, and \$25,900 for couples. Additional standard deduction for single persons 65 and older is \$1,750 and for married persons 65 and over is \$1,400 each.

### STANDARD MILEAGE RATE DEDUCTION

For **Tax Year 2022**, the allowable standard mileage rate deductions are as follows:

- **Business miles:** Standard mileage rate for the cost of operating your car for business is **58.5** cents (January 1 to June 30) and **62.5** cents (July 1 to December 31) per mile.
- **Charitable services:** Standard mileage rate to provide charitable services is **14** cents per mile.
- **Medical reasons:** Standard mileage rate allowed for medical reasons is **18** cents (January 1 to June 30) and **22** cents (July 1 to December 22) per mile.

### FOREIGN BANK OR FINANCIAL ACCOUNTS

- Foreign bank or financial accounts, if over \$10,000, must be reported on tax return and a separate report, FinCEN Report 114 (FBAR) filed by April 15<sup>th</sup> each year. This does not apply if accounts are held in US brokerage accounts. Be sure to tell us. There are **big penalties** possible (minimum of \$10,000) if not disclosed.

### SOLAR CREDIT

- Purchase of solar equipment is eligible for 30% credit against tax liability on the federal tax return for 2022-2032.
- Equipment and installation qualify for credit. Replacement of roof and water heaters do NOT qualify.
- Credit will be reduced to 26% for installations in 2033.
- Batteries for electrical storage that are charged by solar equipment qualify for credit.

### CLEAN VEHICLE CREDIT

- New rules for vehicles obtained after August 16, 2022
- May qualify up to \$7,500 for qualifying new clean vehicles with 4 wheels, less than 14,000 lbs.
- Up to \$4,000 for used electric vehicles priced at \$25,000 or less, purchased from dealership.
- Vehicle value must not exceed \$55,000 for cars or \$80,000 for SUVs, trucks and vans.
- Subject to adjusted gross income caps and not available if credit was claimed at point of sale.
- Final assembly of vehicle must occur in North America to qualify, including battery components.
- GM and Tesla do not apply until January 1, 2023
- Old rules still apply (EVTC) for vehicles purchase prior to August 16, 2022.
- 30% of the cost of hardware and installation of home EV charging station, up to \$1,000. Extended through December 2032.

### 1099-K FOR ELECTRONIC TRANSACTIONS SUCH AS THROUGH VENMO OR PAYPAL

- Threshold has been lowered for reporting of third-party network payments to \$600-POSTPONED TO 2023

\*\*\*Please bring in 1099-K, if received, even if this is for personal reimbursements or payments. This must be reported on the tax return to avoid IRS letters even though it is not taxable income if not for sales or business transactions.