



## 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 \$1,250?
- 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 2023

### 2023 TAX RATES

- 10% (income up to \$11,000 for individuals; up to \$22,000 for married couples filing jointly)
- 12% (over \$11,000 to \$44,725; over \$22,000 to \$89,450 for couples)
- 22% (over \$44,725 to \$95,375; over \$89,450 to \$190,750 for couples)
- 24% (over \$95,375 to \$182,100; over \$190,750 to \$364,200 for couples)
- 32% (over \$182,100 to \$231,250; over \$364,200 to \$462,500 for couples)
- 35% (over \$231,250 to \$578,125; over \$462,500 to \$693,750 for couples)
- 37% (over \$578,125; over \$693,750)

### STANDARD DEDUCTION AND PERSONAL EXEMPTIONS

- The standard deduction has been increased to \$13,850 for individuals, \$20,800 for head of household, and \$27,700 for couples. Additional standard deduction for single persons 65 and older and/or blind is \$1,850 and for married persons 65 and over and/or blind is \$1,500 each.

### STANDARD MILEAGE RATE DEDUCTION

For **Tax Year 2023**, the allowable standard mileage rate deductions are as follows:

- **Business miles:** Standard mileage rate for the cost of operating your car for business is **65.5** cents 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 **22** cents per mile.

### ENERGY EFFICIENT HOME IMPROVEMENT CREDIT

- The credit for energy efficient improvements (windows, skylights, doors, insulation, A/C and water heaters) has been increased up to 30% of the cost with an annual limit of \$1,200 (there is no longer a lifetime limit). Heat pumps have an annual limit of \$2,000.

### CLEAN VEHICLE CREDIT

- May qualify up to \$7,500 for qualifying new clean vehicles with 4 wheels, less than 14,000 lbs.
- 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.
- All manufacturers including, GM and Tesla, now qualify for the EV credit.
- Election can be made to transfer credit to the dealer and taken at point of sale starting in 2024
- Vehicle qualification and credit amount can be determined at: <https://fueleconomy.gov/feg/tax2023.shtml>
- Up to \$4,000 for used electric vehicles priced at \$25,000 or less, purchased from dealership.
- 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 for reporting of third-party network payments lowered to \$5,000 but has been delayed to 2024.  
**\*\*\*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 it is for personal transactions.**

### RETIRED PUBLIC SAFETY OFFICERS

- Definition of public safety officers has been expanded to include corrections officers.
- Can take early distribution from employer retirement plan with no penalty at age 50 or after 25 years of work.
- Can deduct \$3,000 of health insurance premiums (premiums no longer have to be directly paid from pension)

### 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.