

ANDERSON ACCOUNTING AND TAX SERVICES OF BLOOMER, INC.

1706 York Street Suite 1

Bloomer, WI 54724

William (Bill) Anderson, CPA
bill@anderson-accounting.com

Jean Johnson, Staff Accountant
jean@anderson-accounting.com

Phone: 715-568-4423

Fax: 715-568-4433

Website: anderson-accounting.com

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THIS YEAR WE WILL BE HAVING NO SIT-DOWN TAX APPOINTMENTS UNTIL THE RETURN IS FINISHED AND WE CAN GO OVER IT WITH YOU. EVERYTHING WILL BE DROP OFF ONLY!

- *With that being said please follow the list of items that may be needed to complete your return in a timely matter to eliminate extra trips to our office.*

Another year has passed and we are looking at the start of another tax season.

Let me thank you for trusting Anderson Accounting with your tax return preparation.

There are several tax planning items that I would like to bring to your attention:

- Many employers that are offering Medical insurance are providing some money for a Health Saving Account. If your employer is providing an HSA make sure you add to it. If your private coverage is HSA qualified using an HSA is a good way to put tax free money away for medical expenses. The money you put in is ALWAYS yours. You can use this for medical expenses after age 65.
- Your Social Security benefits are based on your highest 35 years of earnings. So taking time away from the workforce or aggressively writing off business expenses can really have a long-term negative effect on your Social Security benefits and thus your retirement income.
- With lower tax rates and higher standard deductions theoretically there should be more disposable income in **most** households. So I want to encourage clients to start or put more into their retirement accounts. It is never too early to or too late to start saving for your retirement!
- If you have children that qualify you for Earned Income Credit, any of Education Credits or Child Tax Credit, please fill out verification statement found on our website and bring in documentation requested.
- If you are **over 72** and have an IRA and routinely give a significant amount to a charity you should be using the "Direct IRA to Charity" tool. You can give the same amount you normally give in a year, but now it is tax free. The money from the IRA **MUST** go from your IRA directly to the designated charity and it counts as Required Minimum Distribution and is tax free!

Anderson Accounting wishes you a Merry Christmas and Happy New Year!

PLEASE BRING THIS LETTER & THE FOLLOWING TO ENABLE US TO PREPARE YOUR 2022
PERSONAL INCOME TAXES

- Your W-2s from employers and your 1099s from banks, savings, loans, pensions and brokers Also 1099s from Social Security, W—2G from Gambling and lottery winnings and 1099-G from unemployment and also any Interest and dividend statements.
- A total of all unreimbursed payments to doctors, hospitals, dental, eyeglasses, hearing aids and batteries; hardware such as wheelchairs, crutches, health insurance premiums and transportation cost to and from the doctors. May help on the State.
- The total amount that you paid during 2021 and 2022 on your estimated taxes for the year of 2021. Do not include 2020 payments paid in 2021. You MUST let us know if you paid your estimates when you bring in your 2021 information. The estimates we prepare for you are the best guess at what you may owe for the next tax year. If your income or expenses radically change during 2022, after you filed the 2021 tax return, then contact us as changes may be needed in your final estimated taxes for 2022.
- All mortgage interest statements (1098)
- Real estate taxes **paid** in 2021 or amount of rent
- If you sell a rental property during 2022 let us know immediately after the closing so we can help you prepare federal and state estimates.
- If you sold your home or condo we will need the cost of any major additions, original purchase price as well as the closing statement. This will allow us to report the sale which is **reportable but not taxable**.
- **IF YOU HAVE MEDICAL INSURANCE FROM MARKET PLACE YOU MUST BRING IN ALL 1095As**
- Do you have any foreign accounts or signature authority over any foreign accounts?
- Any purchases that Wisconsin sales tax needs to be paid on? (ie Amazon, Ebay, clothing in Minnesota)
- Documentation for Alimony paid or received. The rules for deductibility of Alimony have changed!
- If you sell stocks or mutual funds we must always have the date of purchase and cost of the stock to complete the tax return. Please obtain this information from your records or broker prior to bringing tax info in. **Do not assume the cost basis is in the year end statement.**
- If you moved out of state we would still be able to complete your tax return, as we are allowed to prepare all states.
- If anyone attended college in 2021, provide the year end statement showing tuition **PAID from the Bursar statement (this is required)** and Form 1098-T, along with documentation showing payments for school supplies.
- **Mileage is allowed for 2021 if you are filing a schedule C,E or F!** To claim mileage you need to bring in information that clearly states what is business, personal, commuting miles and total miles. (see form on website) All unreimbursed employee expenses (Per Diem, mileage, union dues, etc) are eliminated on Schedule A.
- Do you need to issue any 1099-NEC? We can prepare and file these for you. **Landlords also must issue 1099-NEC to third parties if ANNUAL payments for services or services and goods are a total of \$600.00 any individual or business.** See website for W-9 which will gather all information needed.
- **Please, bring your drivers license or State ID as Wisconsin is requesting it to process your return. Please bring in birth certificates and social security card for any new dependents.**
- If you are trading or accepting virtual currencies the IRS has ruled that this is treated as an investment & each transaction is treated as a sale of that investment. So you will need to bring in your purchase price of the virtual currency and the date of purchase and the date you sold it or traded it for a good and/or service. This will add significantly to the complexity of your individual tax return AND consequently to the cost.
- **If you have questions PLEASE feel free to call.**