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**At your earliest convenience, please
PRESCHEDULE our office for an
appointment with DENNISB**

Time for Taxes!



Thank you for entrusting your 2020 tax return preparation to Berman and Sons, we look forward to being of service to you again this year.

- ⇒ **Important:** Please call at your earliest convenience to set-up your 2021 tax appointment (if you haven't already). Appointments are filled on a first come, first served basis. **Please see back page for assistance with gathering your tax information.**

What's New?

2021, just like the last 2 years, was another year of major tax legislation changes, making tax filing more challenging and complex for many taxpayers. **See below and/or our WEBSITE for more details regarding new tax legislation.**

EIP 3 - In March of 2021, Congress authorized a third "stimulus" payment of \$1,400 for each person listed on your tax return (taxpayer[s] and dependents) if your gross income was below a certain threshold. That payment was followed up with **Notice 1444-C**. The payment was based on your 2019 or 2020 return (lookback year) depending on when you filed the 2020 return. We have to report all EIP # 3 monies received. IRS will also send **Letter 6475** in January of 2022, to all taxpayers, reflecting payments received. You **MUST** provide one of those documents or look at your bank records for exact amounts received in 2021.

ACTC - Advanced Child Tax Credit – Taxpayers with children under age 18, see enclosed Special Notice 2021-1 for detailed information.

Virtual Currency – See enclosed Special Notice 2021-2 for detailed information.

1099-K, Online Sales – IRS is now tracking online sales activity. See enclosed Special Notice 2021-2 for detailed information.

Healthcare Exchange – While there is NO penalty for being uninsured, there is still additional paperwork required for those who had health coverage through the Healthcare Exchange. There is a reconciliation process IF you received any premium assistance from the government. You may be entitled to additional credits OR you may have to pay back some or all of the assistance you received. ****You MUST provide all 1095-A forms issued from the agency.** There will be additional charges for the required paperwork

Home Office Expenses – Just a reminder, that there is NO deduction for unreimbursed expenses incurred by an employee working remotely. Employer reimbursements may be tax free.

For those taxpayers eligible to claim the Earned Income Tax Credit, the Child Tax Credit, the American Opportunity Tax Credit or HOH filing status, additional documentation may be required in order to secure the tax benefits. **The processing of returns containing these items may be delayed until mid February, as in prior years.**

*****All new dependents on your tax return will require birth certificate and social security card*****

UNEMPLOYMENT BENEFITS (BOTH FEDERAL & STATE) ARE SUBJECT TO TAX! MUST PROVIDE 1099-G FROM IDES WEBSITE.

INFORMATION NEEDED TO PREPARE YOUR TAX RETURNS

In addition to page 1 items

1] All W-2 (wages), F-1099-R (pension), W-2G (gambling winnings), F-1099-NEC/MISC (contract labor), F-1099-INT (interest earned), F-1099-DIV (dividends earned), along with any K-1's (partnership, Sub-S, trust/Estate income.)

a] Cancellation/Reduction of debt (Form 1099-C). (**credit card, home loans, etc**) This is reportable income.

b] Short sale, foreclosure on or repossession of real estate. (Form 1099-C or 1099A) May be taxable.

2] Statements showing the amount of **unemployment** or social security (or SSI) benefits received.

Unemployment recipients may have to access their tax statement via their online account.

3] ITEMIZED DEDUCTIONS (Sch A):

Medical Expenses Paid:

Health Insurance	\$	
Other Expenses	\$	

Real Estate Taxes Paid:

		Bring tax bill
Primary Residence	\$	
Other property(non-rental)	\$	
*Sales Tax(large purchase)	\$	

*bring receipts

Mortgage Interest Paid: (F-1098's)

Primary Mortgage	\$	
Equity/2nd Mortgages	\$	

Charitable Contributions:

		MUST have receipts
Cash/Checks	\$	
Non-Cash Items Value **	\$	

** IF OVER \$500. BRING DETAILED RECEIPTS STATING VALUE OF ITEM(S).

Employee Exp.'s:

Union/Prof. Dues	\$	
Job Education	\$	
Small tools	\$	
Uniforms	\$	
Safety boots/clothes	\$	
*Other	\$	

*currently suspended

4] Child care expenses, including REQUIRED information: Name, address and Tax ID# or SS# of each provider.

a) Required even if you had pre-tax dependent care assistance through your employer

5] Any other items of income or expense you feel may be applicable to your tax return, including:

a) Cost of college tuition (**Form 1098-T required**) and fees paid for yourself or dependents, including books and classroom materials.

Student account activity statement or other proof of payment and book receipts are required.

You must download both from the student's online account (Bursar).

More information is available on our web page. www.bermansons.com

b) College loan interest paid (**include Form 1098-E**).

** IN ADDITION **

If you sold stock or mutual fund shares, or **exercised employee stock options**, we need BOTH the purchase AND sale papers, including 1099-B's. You must obtain complete 1099B including gain/loss detail on stock/fund sales from brokerage firm.

**These may be issued after February 15th. May only be available through online account.

If you bought OR sold a home or investment real estate during the year, please bring:

- Closing papers from the SALE and original purchase papers if investment property (or second home) was sold.
- Closing papers from the PURCHASE of any new property.

If you are involved in any of the following, we have special worksheets that will help you gather the proper tax information.

Please call our office for any of the following worksheets you may need, if they were not included with this letter.

Most of these worksheets can be downloaded from our Web page. www.bermansons.com

- [A] Use of automobile/truck in your unincorporated business.
- [B] Purchase of rental property (**bring closing papers.**) Includes conversion of residence to rental property.
- [C] Rental Income/Expenses
- [D] Self-employment income - specify type of business as we have some custom worksheets.
- [E] Exclusive use of a **home office** to operate a business, perform substantial administrative duties for your business OR use of your home to provide daycare services.