

National Tax Service LLC (In Business Since 1981)

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December 2021



Thank you for your business. We look forward to assisting you in preparing your 2021 tax returns. Remember, we still offer a \$5 Culver's gift card to clients who refer new customers.

Craig, Gary, Dale & Louise

The 2021 Key Word – Documentation !

There were major changes to tax laws for 2021. Several of the changes increased the amount of tax credits, made the credits available to more people, and made more credits refundable (which means larger refunds to tax payers). As a result, we must have documentation to prove you are eligible for any tax credits you are claiming.

Child/Dependent Day Care Credit: Bring in proof of payment showing the provider's name, address, ID number, the amount you paid and the names of the children involved.

Child Tax Credit: This credit can be as much as \$3,600 per child claimed on your return. Most parents received part of this in advance by way of 6 monthly payments (Jul – Dec). We need to know exactly how much you received. You should get IRS Letter 6419 in Jan showing you what you received. You can also go to irs.gov and create an on-line account and then look up what you got.

College Tuition Credit: We need Form 1098-T for 2021 showing how much tuition you paid (one for each school your child attended).

EIP3 (COVID Payment 3): Mid-year almost everyone received the 3rd COVID stimulus payment in the amount of \$1,400 per person shown on your '19 or '20 tax return. We need to know exactly how much you got. You may have received IRS Notice 1444-C showing how much you received. You can also check your bank statements.

Head of Household Filing Status: You must be able to show that you paid over half the cost of providing a home for your child. Bring in info showing the total cost of rent/property taxes, utilities, mortgage payments, etc. & how much of those you pd.

Dependent Residency Documentation. We must have some document on file showing that your dependents lived with you in 2021. Mail, school documents, W-2's, bank statements, driver's license, etc. will work. We will NOT e-file your return until we have the documentation.

Form 1099-NEC or 1099-Misc. If you have business, rental or farm income & you paid anyone \$600 or more, you likely need to issue that person a Form 1099. These forms must be issued by the end of Jan. If you have employees, the same deadline applies to Form W-2. We can prepare the forms for you.

Tuesday, January 4 – Saturday, April 16, 2022

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| Monday – Friday | 9 a.m. – 5:00 p.m. (Jan) |
| | 9 a.m. – 5:30 p.m. (Feb – Apr) |
| Saturday | 9 a.m. – Noon |
| Other hours & evening appointments available on request. | |

The start date for e-filing tax returns is Monday, January 31.

Forms & Documents to Bring In

Form 8332. If you are not the custodial parent of a child you intend to claim as a dependent, you must have the custodial parent sign Form 8332 releasing the dependency exemption.

Social Security Cards and Driver's Licenses –Please bring them in for everybody on your return so we have a copy in your file.

Form 1099-G showing unemployment benefits received. (You probably will have to go on-line and print this.)

Form 1095-A showing your marketplace health insurance details. You cannot do your tax return without this form.

Form 1099-SA showing money taken out of your Health Savings Account (HSA).

Form 1099-S (Sale of Real Estate). If you sold your home or other property, you might have received this form. Check your closing papers packet.

Form(s) W-2 and W-2G (casino jackpots).

Forms 1099-R (Pension/retirement income).

Social Security Form SSA-1099 (the form with the pink box)

Investment Income (bank interest, dividends, etc.) You won't get your brokerage account statement till mid to late February.

Mortgage interest paid (Form 1098 from each lender)

Direct deposit info – where do you want any refund sent?

Property taxes paid in 2021.

2021 Property tax bill or Completed Rent Certificate – if you claim the Homestead Credit. (We have blank forms).

Tax Deferred Retirement Distribution in 2020? Remember, if you took \$\$ out of a retirement account in 2020 due to COVID and chose not to pay the tax, you have to pay 1/3 of the tax on your 2021 tax return!

Family Member Tax Returns. Don't let your high school and college student children file their tax returns until we do your tax return. The determination of who and what belongs on each return is not as simple as you might think.