



2023 Tax Preparation Checklist

BFVS TAXES

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01

Personal Information



Current Client

- We will be periodically updating our records, so we might periodically ask for an updated driver license.
- If you have recently moved or changed your address please let us know.

New Client

For all members of the household.

- Name
- Date of Birth
- Social Security Cards
- Driver licenses
- Address
- Phone number
- Proof of dependency (if applicable)
- E-mails (for both taxpayers)
- E-mails are very important as we use online secure document sharing.
- Copy of your last year's tax return if it wasn't completed by us

Identity Theft



Tax-related identity theft occurs when someone uses your stolen personal information, including your Social Security number, to file a tax return claiming a fraudulent refund. If you suspect you are a victim of identity theft, continue to pay your taxes and file your tax return, even if you must file a paper return.

Know the Signs of Identity Theft

You may not know you're a victim of identity theft until you're notified by the IRS of a possible issue with your return.

Be alert to possible tax-related identity theft if:

- ◊ You get a letter from the IRS inquiring about a suspicious tax return that you did not file.
- ◊ You can't e-file your tax return because of a duplicate Social Security number.
- ◊ You get a tax transcript in the mail that you did not request.
- ◊ You get an IRS notice that an online account has been created in your name.
- ◊ You get an IRS notice that your existing online account has been accessed or disabled when you took no action.
- ◊ You get an IRS notice that you owe additional tax or refund offset, or that you have had collection actions taken against you for a year you did not file a tax return.
- ◊ IRS records indicate you received wages or other income from an employer you didn't work for.
- ◊ You've been assigned an Employer Identification Number but you did not request an EIN.

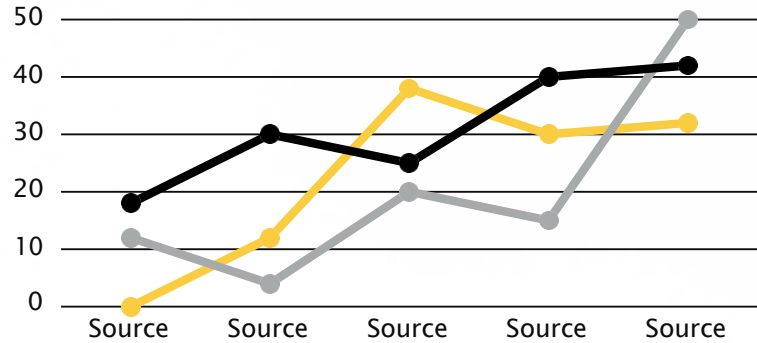
IRS Identity Protection PIN's

All taxpayers who can verify their identities are eligible for an Identity Protection PIN. The IP PIN is a 6-digit PIN that offers additional protection for your Social Security number on your tax return.

To obtain an IP PIN, use the Get an IP PIN tool to opt into the program. If you already have an IRS account, enter your username and password. If not, you must verify your identity through a rigorous Secure Access authentication process. Review the Secure Access requirements before you start.

02

Sources of Income



-
- Employment Wages - W2 forms
- Unemployment or state tax refunds (1099G)
- Savings & Investments or Dividends
 - Interest, dividend income (1099-INT, 1099-OID, 1099-DIV)
 - Health Savings Account (1099-SA)
 - Long-Term care reimbursements (1099-LTC)
 - Sales of stock (1099-B)
- Sales of Virtual/Crypto currency
- Retirement Income
 - Pension/IRA/annuity income (1099-R)
 - Social security/RRB income (1099-SSA, RRB-1099)
- Sale of home or rental property (1099-S)
 - Please provide a closing statement
 - Depreciation if claimed (rental properties)
- Other Income
 - Schedules K-1
 - Trusts Schedules K-1
 - Gambling income (W-2G)
 - Jury duty income
 - Hobby income (and expenses)
 - Prizes and awards
 - Royalty Income
 - 1099-Misc
 - 1099-K for third-party payment network transactions (venmo, cashapp, etc)
 - Any other 1099s received
 - Alimony received (if established before 2018)
 - Foreign income

Virtual Currency

What you need to know when you invest.

What is Virtual Currency?

According to IRS.gov

Virtual currency is a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value. In some environments, it operates like “real” currency (i.e., the coin and paper money of the United States or of any other country that is designated as legal tender, circulates, and is customarily used and accepted as a medium of exchange in the country of issuance), but it does not have legal tender status in the U.S. Cryptocurrency is a type of virtual currency that utilizes cryptography to validate and secure transactions that are digitally recorded on a distributed ledger, such as a blockchain.

Virtual currency that has an equivalent value in real currency, or that acts as a substitute for real currency, is referred to as “convertible” virtual currency. Bitcoin is one example of a convertible virtual currency. Bitcoin can be digitally traded between users and can be purchased for, or exchanged into, U.S. dollars, Euros, and other real or virtual currencies.

Tax Consequences

According to IRS.gov

Virtual currency transactions are taxable by law just like transactions in any other property. Taxpayers transacting in virtual currency may have to report those transactions on their tax returns. The sale or other exchange of virtual currencies, or the use of virtual currencies to pay for goods or services, or holding virtual currencies as an investment, generally has tax consequences that could result in tax liability.

03 Deductions

- Home Ownership
 - Forms 1098 or other mortgage interest statements
 - Receipts for energy-saving home improvements
- State & Local Taxes or Sales Tax
 - Real estate and personal property tax records
 - Amount of state/local income (other than wage withholding) or sales tax paid
 - Proof of vehicle sales tax paid
- Charitable Donations
 - Records of cash donated to charitable organizations
 - Records of non-cash charitable donations
 - Miles driven for charitable purposes
- Medical Expenses
 - Amounts paid for healthcare insurance and to doctors, dentists, hospitals
 - Miles driven for medical purpose
 - Health Insurance Information
- Dependent Care Expenses
 - Childcare records (provide tax ID number)
 - Elderly parent care (are you taking care of an elderly parent?)
- Educational Expenses
 - Forms 1098-T from educational institutions
 - Form 1098-E if you paid student loan interest
 - Books from the educational institution purchased
 - Other itemized educational expenses
- Retirement & Other Savings
 - Form 5498-SA HSA contributions
 - Form 5498 IRA contributions
 - All other 5498 series forms (5498-QA, 5498-ESA)
- Federally Declared Disaster
 - Records to support deductions

Standard VS Itemized Deduction

You can either take the standard deduction or use the itemized. You're not able to take more. If your itemized deductions are more than the standard, then it's best to itemize. However, if your itemized deductions are not more than the standard then it's best to use the standard.

STANDARD DEDUCTIONS

| | |
|-----------------------|----------|
| Single | \$13,850 |
| Married Filing Joint | \$27,700 |
| Married Filing Single | \$13,850 |
| Head of Household | \$20,800 |

Here are the three most common itemized deductions:

- Large medical or dental expenses that were paid by you (not the insurance and not the billed amount). Large is considered more than 7.5% of your gross income.
- Paid interest or taxes on a home you own.
- Made large charitable contributions. Must have the contribution letters.

MISC

Estimated Tax Payments

Records of estimated tax payments (form 1040ES)

Form 1095-A

Health Insurance through healthcare.gov

IRS.Gov Account

If you don't already have one, we highly recommend creating your IRS.Gov account.

Benefits of IRS.gov account

- Access Tax Records
 - View reported income
 - View filed tax returns
- Digital copies of certain IRS notices
- Make and View Payments
 - View your balance
 - Make a payment
- Create a payment plan
- Tax Pro Authorizations
 - Sign a power of attorney from your IRS.gov account

04 Rental Property





Rental Property

Expenses

- Advertising
- Auto (miles)
- Travel
- Cleaning & Maintenance
- Management Fees
- Insurance
- Legal Fees
- Professional Fees
- Mortgage Interest
- Repairs
- Supplies
- Taxes
- Utilities
- HOA
- Eviction Fee
- Other incurred expenditures

Security Deposit

Security deposits are not considered income by the Internal Revenue Service until you keep all or part of it.

Information

- Property Address
- Property Titled (joint? LLC?)
- Received or Issued any 1099 forms?
- Days rented at fair value
- Days used for personal use

Purchase

- Date of purchase
- Amount of purchase
- Depreciated amount

Asset Depreciation

- Assets Over \$500 (computers, equipment, furniture, etc.)
- Cost and first date of rental use of assets
- Records relating to personal use of assets
- Sales price and disposition date of any assets sold

Prior Year Depreciation Schedule

- To calculate accurate depreciation

05

Self-Employed

Tax Preparation Checklist - Business
Note: Not all will apply to you

Company Information

- Name – and entity type
 - EIN letter
 - State Registration
- Responsible parties
 - Driver license and Social Security card
- Address, phone number, and emails
 - Please make sure we have your most current information
- Copy of your last year's tax return if it wasn't prepared by us

Forms and Reports

- Profit & Loss Statement
- Balance Sheet
- December Bank Statement
- Any forms that you've received (ex: forms 1099)

Self-Employed



Income

- Gross receipts from sales or services
- Sales records for accrual-based taxpayers (accounts receivable)
- Returns and allowances (refunds)
- Business checking/savings account interest (1099-INT or statement)
- Other income, including rental income, federal and state gasoline or fuel tax credit or refund

Cost of Goods Sold

- Beginning inventory total dollar amount
- Inventory purchases
- Ending inventory total dollar amount
- Items removed for personal purposes
- Materials and supplies

Payroll and Subcontractors

- Annual payroll report (provided by your payroll company)
- Issued W-2's and W-3
- Copy of all 1099's issued and the 1096 that was filed to the IRS
 - This includes 1099-NEC and 1099-MISC

Asset Depreciation

- Assets Over \$500 (computers, equipment, furniture, etc.)
- Cost and first date of business use of assets
- Records relating to personal use of assets
- Sales price and disposition date of any assets sold
- Documentation of prior-year depreciation
- Amortization of intangible assets (e.g., patents or copyrights held)

Expenses

- Advertising
- Commissions and fees
- Dues & Subscriptions
- Employee Benefits
- Employee Reimbursements
- Insurance (E&O, BOP)
- Interest Paid
- Legal & Professional Fees
- Office Expenses
- Pension & Profit Sharing
- Phone and Internet
- Rent - Equipment
- Rent - Other
- Repairs & Maintenance
- Supplies
- Taxes (other than payroll)
- Licenses
- Travel for Business
- Meals for Business
- Utilities
- Other business-related expenses
 - List each separately

Auto Expenses

Note: For each vehicle you must either use the standard mileage rate or actual expenses. If you choose actual expenses, you must continue to use actual expenses and will not be able to switch back to standard mileage rate.

- Vehicle Information
 - Business Miles
 - Other Miles
- Actual Auto Expenses
 - Gas, oil, repairs, etc
 - Parking fees & tolls
 - Car Insurance

Self-Employed

Home Office

Note: This may not apply to you even if you really do have a home office.

- Square footage of office space
- Total square footage of home
- Hours of use, if operating an in-home daycare
- Mortgage interest or rent paid
- Homeowner's or renters' insurance
- Utilities
- Cost of home, cost of separate improvements and first date of business use

Please Note

We do not need to see your receipts for all the expenses. We only need to see the reports. If you bring us receipts or bank statements where we would have to calculate it and put it into a report, that will incur additional bookkeeping service charges.

06

Forms



Business Profile

Business Name: _____

Address: _____

Mailing Address: _____

Website: _____

Main Phone Number: _____ Cell / Fax / Other: _____

email address: _____

| | |
|----------------------------|------------------------------|
| Federal EIN Number _____ | Registered State _____ |
| State Document # _____ | Certificate – Sales _____ |
| Date opened: _____ | Partner Number - Sales _____ |
| Business Entity Type _____ | RT Number - Unemp _____ |

Owners – Partners – Shareholders

| | | |
|---------------------------|--|--|
| Name: _____ | | |
| Job Title: _____ | | |
| Date of Birth: _____ | | |
| Address: _____ | | |
| City, State, Zip _____ | | |
| email: _____ | | |
| Cell Phone: _____ | | |
| Social Security: _____ | | |
| Driver License #: _____ | | |
| State – Issue - Exp _____ | | |

Notes:

Profit & Loss

Business Name. _____
Address: _____
Phone Number. _____

Tax Year. _____

Income
Gross Receipts or Sales _____

Expenses

Advertising _____
Commissions and fees _____
Dues & Subscriptions _____
Employee Benefits _____
Insurance (E&O BOP) _____
Interest Paid _____
Legal & Professional Fees _____
Office Expenses _____
Pension & Profit Sharing _____
Rent - Equipment _____
Rent - Other _____
Repairs & Maintenance _____
Supplies _____
Taxes _____
Licenses _____
Travel _____
Meals & Entertainment _____
Utilities _____

Other Expenses. List separately

| | |
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Issued W-2 _____
Issued 1099 _____
-Will need copies _____

Assets - over \$2,500
Date of purchase _____
Cost & Description _____

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |

Vehicle Information _____
Business Miles _____
Other Miles _____

Actual Expenses _____
Gas, oil, repairs, etc _____
Parking fees & tolls _____
Car Insurance _____

Rental Income and Expense Worksheet

Property Address: _____

Name the property is titled in (joint? LLC?): _____

| | | |
|--|-----|----|
| Are you actively involved in managing the property as a Real Estate Professional? (do you have a real estate license) | Yes | No |
| Did you issue any 1099 forms? | Yes | No |
| Have you used this property for personal use? (If yes, how many days were used for personal use?) _____ | Yes | No |

| | |
|--|-----------|
| Income | \$ |
| NOTE: Security deposits are not considered income by the Internal Revenue Service until you keep all or part of it. If you have received any 1099 forms. please provide them. | |

Expense:

| | |
|--|----|
| Advertising | \$ |
| Auto Expense (miles) | \$ |
| Travel (including hotels) | \$ |
| Cleaning and Maintenance | \$ |
| Management Fees | \$ |
| Insurance | \$ |
| Legal/Professional Fees | \$ |
| Mortgage Interest | \$ |
| Repairs | \$ |
| Supplies (office/postage/etc.) | \$ |
| Taxes | \$ |
| Utilities | \$ |
| HOA | \$ |
| Eviction Fees | \$ |
| 1099's Issued (amounts paid over \$600 to individuals) | \$ |
| Other: | \$ |
| Other: | \$ |
| Other: | \$ |

Services we Offer



Services



Tax Preparation

- PERSONAL
- RENTAL PROPERTIES
- SELF-EMPLOYED
- NON-PROFIT
- SMALL BUSINESS
- PARTNERSHIP
- S-CORPORATION
- C-CORPORATION



Bookkeeping

- MONTHLY BOOKKEEPING
- QUARTERLY BOOKKEEPING
- PAYROLL SERVICES
- SALES TAX REPORTING



QuickBooks

- QB TRAINING
- QB SET-UP
- QB CLEAN-UP
- QB DIAGNOSTICS
- QB REVIEWS
- QB MONTHLY BOOKKEEPING

Services



Tax Resolution

IRS TAX DEBT RESOLUTION
PAST-DUE TAX RETURNS
PAYMENT PLAN
NON-COLLECTIBLE
OFFER IN COMPROMISE



Tax Audit

IRS AUDIT PREPARATION
IRS AUDIT REPRESENTATION
IRS AUDIT RESOLUTION



Tax Planning

REDUCE YOUR TAX LIABILITY
INCREASE TAX DEDUCTIONS
TAKE ADVANTAGE OF TAX CREDITS

Services



New Business

SET-UP
ENTITY FORMATION
TAX STRATEGY
DOCUMENTATION PREPARATION



Consultation

NEED HELP?

Reach out!



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