
2021 TAX INFORMATION NEEDED – PLEASE READ CAREFULLY

I need your *completed* personal tax information organizer.

Other information needed to prepare your return:

- All forms W-2 or 1099, including 1099-MISC, 1099-NEC, 1099-R, etc.
- Interest income: Banks are not required to issue a 1099-INT if the amount is less than \$10. However, they will usually tell you on the last statement of the year how much you received.
- Brokerage statements: If you had any stock transactions, including dividends, trades, sales, etc., you should have received a packet from your brokerage firm reporting all of this.
- Form 1095-A if you participated in the Marketplace and qualified for a reduction of premiums.
- You should receive letter 6475 outlining how much you received for the third stimulus payment. If you receive a letter, include it with your tax info. If you did not receive the third stimulus, you will not receive the letter. If you received the stimulus but not the letter, let me know the amount you received. Please be sure it is accurate! If it is not, processing your return will be delayed and your refund or tax due will change.
- Forms 1098: These include mortgage information and tuition information (1098-T)
- Business income: If you have your own business and you have always provided your list of income and expenses in a certain manner, you can continue to do so.
- Farming income: Again, if you have your own way of reporting this, continue to do so. Please be sure to include information regarding sales of livestock, hay, or other crops. On the livestock sales it is important to note if you sold breeding stock or calves you raised. Call for more info.
- Rental income: Airbnb, VRBO; if you rented a portion of your home, a vacation home, or simply had a regular rent house, I need to know about it. There are some important rules regarding vacation rentals; call for more info.
- For 2021, cash contributions of up to \$300 (\$600 if married) can be deducted even if you do not itemize deductions. Non-cash such as Goodwill are not allowed. Crowd funding such as Go Fund Me are not allowed. Only legitimate 501(3)c charities qualify. If you think you are eligible for itemized deductions, include all non-cash charity as well (please separate and label these amounts to include the charity name and address).
- Medical expenses, including any health insurance premiums you paid out of pocket (does not include pretax payments deducted from your paycheck).

Basically, anything you received in January marked **Important Tax Information** should be included with your tax information. When in doubt, either send it or call me about it.

FOR MORE INFORMATION CONTACT BARBARA AT (940) 393-3590 OR
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TAXPAYERS WITH DEPENDENT CHILDREN

Pandemic relief bills were more generous than ever to parents of dependent children. You could be entitled to child tax credits of up to \$3,600 per child and childcare tax credits of up to \$8,000. These raises are short-lived, they are only for tax year 2021, unless Congress chooses to extend them (so far they have not).

You may have already received advance child tax payments of either \$250 or \$300 per child, per month. They began in July 2021 and stopped after December 2021. You may have received some by check and some by direct deposit. You may have opted out of these payments. If you did opt out and end up qualifying for them, you will receive them with your tax filing. If you did not opt out and end up *not* qualifying for them, you will be required to repay them with your tax filing.

Childcare tax credits are available to parents of children under 13 for whom you paid childcare. It doesn't matter if it was private care or regular daycare. However, to be eligible, the payer must provide you with their name, address, their identifying number (social security or employer identification number), and the amount you paid. So, if you paid a relative who is not reporting this income or another "ghost" childcare provider who is not reporting their income, your payments to them do not qualify for this credit. Since the credit can be up to 50% of the first \$16,000 you paid (and it's refundable!), this is a large and important credit.

I am required to keep copies of proof that the child(ren) you are claiming are indeed your children and do reside with you. A copy of a medical record, birth certificate, social security card, or Texas ID card will suffice as proof this is your child. School or daycare records of some sort suffice as proof of residence. The proof of residence is normally not required of joint filers unless the child(ren) is/are from a previous marriage. A copy of the child custody portion of the divorce agreement should suffice, or simply a signed statement that the child(ren) resided with you for at least 183 days in 2021 (time away for school, camp, etc., counts).

If you are a single parent seeking to file as Head of Household, I must maintain record of some sort of proof that you provided more than 50% support for your child and that you paid to house that child. In other words, if you are residing with a parent or other person who is paying all of the household expenses, you do *not* qualify as head of household.

To claim the Earned Income Credit, you must be able to demonstrate your income is within the eligible parameters, that your child(ren) was/were supported by you and lived with you more than half of the year, that your home was in the US for the entire year and that you and your dependents are US citizens. You may be eligible for this credit even if your spouse claimed your children by order of your divorce decree. You must be able to demonstrate your eligibility as outlined above. If this may apply to you, please let me know.