**BizBoost News**

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**How to Get Ready for Your Tax Accountant**

It’s almost that time of year again...tax season! While it may still feel like you have plenty of time to prepare, planning ahead can help ensure that you file an accurate return and avoid potential delays in the processing of any refund you might be due. How can you make sure you have everything ready to go for your tax accountant once tax time arrives, to achieve as smooth of a process as possible? Below are some useful tips/reminders to help you prepare.

**Organize Tax Records**

Having organized tax documentation is crucial to ensuring that your tax return is prepared as completely and accurately as possible. The more orderly and thorough your tax records are, the less likely you are to experience tax reporting errors or processing/refund delays (and the less questions your tax professional will need to ask!). There are certain documents you can get in order now, including mileage logs or donation receipts; however, some external records will not be available until after year-end, including the following:

* Forms W-2 from employers
* Forms 1099 from banks and other payers (including for unemployment compensation, interest income, dividends/capital gains, or distributions from retirement accounts)
* Forms 1099-NEC for non-employee compensation (for independent contractors)
* Forms 1099-MISC for rental or other miscellaneous income
* Schedule K-1s from any partnerships you may be involved in

Furthermore, specific to the 2021 tax year, it is critical to have complete information related to any Advanced Child Tax Credit (ACTC) payments or Economic Impact Payments (EIP) that you received during the year. Your tax accountant will need to reconcile the payments to make certain you received everything you are entitled to (and to factor in any additional credits on your tax return if you did not), and to correctly account for any amounts you may need to repay. There are two letters from IRS that can be provided to your preparer to simplify this process: Letter 6419, which outlines the total ACTC payments for the year, and Letter 6475, which provides the total 2021 EIP amount received.

If you’re new to us, we’ll likely ask for prior year tax returns so we can see what was done in the past. If you have carryforward amounts, we can find that out from your prior returns and get them applied properly to this year’s return.

**Checklist**

Here’s a quick generic checklist:

* Forms W-2 from employers
* Forms 1099 from all sources, and don’t forget any unemployment income (that’s 1099G and surprise – it’s taxable)
* Form 1095 if applicable
* Schedule K-1s from partnerships, S corps, or trusts, etc.
* List of estimated tax payments made
* Closing statement of any homes or real estate purchased or sold
* For new clients, copies of two prior years’ tax returns
* Copy of the completed tax organizer sent by the tax professional
* List of income and expenses from business or rental properties
* Retirement contributions and distributions
* Charitable contributions and receipts
* Medical expenses and contributions
* List of taxes, interest, and miscellaneous deductions for itemizing
* Mileage logs

A good idea is to make a stack of papers (or better, create a folder on your computer) for all of the related tax documents. For the ones on paper, scan them in when you have a chance, and upload them to the client portal your tax professional provides. This will keep both of you organized and your time minimized when it comes to your taxes.

**Access Your IRS Online Account**

Taxpayers who register to access their online account on IRS.gov can obtain extremely useful information all in one place, with just a few clicks! Along with the information related to ACTC payments and EIP data referenced above, the following details are also accessible:

* Key data from your most recent tax return (and additional records/transcripts)
* Information related to your payment plan with IRS, if applicable
* Five years of payment history, along with pending/scheduled payments

If you haven’t already set up your online account with IRS, you should act as soon as possible to create an account. If you have already accessed it in the past, make sure you are still able to log in without any issues.

Additionally, by having a conversation with your tax accountant sooner rather than later, you can have clear guidance on what is needed to make the tax preparation process as straightforward as possible. Communication is key – if you make sure you are on the same page now, you will reduce headaches when tax time arrives!

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Tweets

Insert a link to your newsletter, web site or blog before you post these:

Our latest blog: “How to Get Ready for Your Tax Accountant” is available now! Subscribe here: [link]

It’s almost that time of year again…tax season! While it may still feel like you have plenty of time to prepare, planning ahead can help ensure that you file an accurate return and avoid any potential delays in the processing of your refunds. Learn how to get ready for your tax accountant in our latest blog article: [link]

Our latest blog article reviews how you can make sure you have everything ready to go for your tax accountant once tax time arrives, to achieve as smooth of a process as possible. Get instant access here: [link]

Looking for tips to help you prepare for the upcoming tax season? Check out our latest blog article: [link]

Having organized tax documentation is crucial to ensuring that your tax return is prepared as completely and accurately as possible. The more orderly and thorough your tax records are, the less likely you are to experience tax reporting errors or processing/refund delays. Find out what tax documents you need here: [link]

DID YOU KNOW… For the 2021 tax year, it is critical to have complete information related to any Advanced Child Tax Credit (ACTC) payments or Economic Impact Payments (EIP) that you received during the year. Your tax accountant will need to reconcile the payments to make certain you received everything you are entitled to. Find out more here: [link]

Having a conversation with your tax accountant sooner rather than later can give you clear guidance on what you need to make the tax preparation process as straightforward as possible. Learn more in our latest blog article: [link]

DID YOU KNOW…Your tax professional may have a checklist that can help guide you on how to get ready for tax time. Sign up for our newsletter to learn more: [link]