

Larry's Income Tax & Bookkeeping Service, Inc.  
3623 Florida Avenue  
Kenner, Louisiana 70065  
Tel: (504) 443-3557 Fax: (504) 443-3558

January 18, 2017

Re: Tax Season Information and Reminders; Please Read—There Have Been Some Changes

Dear Client:

Happy New Year! We hope 2017 brings you much health, happiness, and financial rewards. To help keep the “tax-side” of your life trouble-free, we ask that you please read this letter. Its format should be very familiar, as we begin by giving you a summary of the procedures we feel are necessary to ensure the best experience possible while you're here. We then move to the updates for the 2016 tax year. We finally enlist your help in telling everyone about us. We're including three business cards—please write your name on them—that you can give to your family and friends. If any of your friends or family members are new clients and bring the card with your name—you get a \$25 referral credit applied toward your own tax bill!!

This year, electronic filing starts on January 23<sup>rd</sup>, which starts our tax season hours: 9-7pm M-F, and 9-4pm on Saturdays.

FYI, I had emergency gallbladder surgery earlier this month, and I am thankful for your prayers and best wishes. I need rest and have doctor appointments, so I am definitely enforcing my “no walk-in's” rule. In fact, I ask that you try and schedule your appointment at least one week in advance. You can opt to drop off your information at the front desk for me to review at a later time—there's no appointment necessary when you drop-off since you're not seeing me. If you need faster service, Carlos or Michelle should be able to see you sooner. In rare occasions, I may have a last minute doctor appointment that will keep me from being available at your appointment time, but I ask that you keep your slot and see either Carlos or Michelle.

Please review the following policies for this season (mostly a copy and paste from last year, with a couple of changes)

- As noted above, I am not seeing anyone without an appointment.** During tax season (January 23 until April 15), I will be available 6 days a week—*again, by appointment only*—from 9 to 7 Mon- Fri and from 9 to 4 on Saturdays, with daily appointment scheduled up to one hour prior to closing.
- You may drop off your tax information to us.** If you feel you do not need an appointment (“same as last year,” “it's not too complicated,” etc.), drop off all your tax information in a large envelope, clearly labeled with your name and phone numbers. We will call you within a couple of weeks to discuss it and notify you when it's done.
- Please include form 1095A if you were insured through the Marketplace**—dozens of tax returns were delayed by months last year because this form was not provided to us.
- My son, Carlos, and my daughter, Michelle, will see all “walk-ins” as well as clients who wish to see them by appointment.** They are available year round, Mon-Fri, and during tax season, the same hours as me. They are fully qualified to prepare taxes, as they are both college graduates and have received extensive training.
- Effective during March and April, any client who schedules an appointment with me will see a small surcharge added to their tax preparation bill since my billing rate is higher than Carlos or Michelle.**
- There are no discounts.** We feel that our prices are very reasonable for the quality of service you receive. Check our site, [www.larrysincometax.com](http://www.larrysincometax.com) and facebook regularly to see if we're running any promotions (last year we ran two).
- I will not give second appointments to anyone who fails to show up without giving me 24-hour prior notice.** There will be a \$25 “no-show” fee added to your bill and you can choose to either be seen as a “walk-in” by Carlos/ Michelle, or to drop off your tax information. During tax season, appointments are scarce and are given at a premium. Missing one represents lost income to us and a lost opportunity for clients who may have wanted that time slot.
- Please arrive early for your appointment or you may lose the time slot to a “walk in”.** If you are late for your appointment, we may see the next available “walk in” customer. However, if there is still time left on your slot, we will see you for the remainder of that time. Once time runs out, you will have to leave your information with us, and we will call you when it is done. It is simply unfair to allow late appointments to delay those clients who are on time.
- Clients who come for appointments should not bring friends/family members who also want to be seen with you unless you have made an additional appointment for them.** While we love your efforts to spread the word about us, remember that your tax appointment is for your return to be prepared, not for additional returns to be done during your appointment. Please schedule multiple appointments for your friends/family. As for your child's tax info, we may ask you to leave it with us and pick it up at a later time. We aim to stay on schedule and need your help to do it.
- If we don't already have it, **we'll ask for your email address** so we can send you our letters electronically instead of via “snail mail”. It will save us a lot of time and effort and rest assured that we will not share your email with anyone.

For your information, we have highlighted and expanded a few issues below and are including a “TIDBITS, UPDATES, AND REMINDERS” insert; a “BUSINESS UPDATES AND REMINDERS” one for those who have businesses; and the “INFORMATION TO BRING TO YOUR TAX APPOINTMENT INTERVIEW” list. The last insert is an EITC and CTC eligibility worksheet. Please read them all to ensure that your return is completed quickly, smoothly, and above all—correctly.

\*IRS has said that no refunds will be issued prior to February 15<sup>th</sup> for anyone claiming EITC or advanced CTC. In a recent memo, they stated that the date could be more like February 27<sup>th</sup>—due to the way President’s Day falls this year.

\*As you should be aware by now, you are required under the law to have health insurance coverage for yourself and everyone else that you claim as a dependent in your household, unless you qualify for an exemption. Folks who got “Obamacare” through The Marketplace had an option to get an Advanced Premium Tax Credit (APTC) and apply it toward lowering their monthly premiums. Whether or not you took the credit, it is now time to reconcile the credit you actually got versus the one you should have received and to adjust your taxes accordingly. To that end, bring us the form 1095-A you received by mid-February. There is a 100% chance that your refund will be delayed by weeks—even months—if this information is not given to IRS. If you don’t get it in the mail, download it from your Marketplace account or call 1-800-318-2596 to get a copy mailed.

\*If you did not have the required health insurance coverage for yourself and your dependents, you may be entitled to an exemption from that requirement. Your income has to fall within the Federal Poverty Guidelines ([aspe.hhs.gov/poverty-guidelines](http://aspe.hhs.gov/poverty-guidelines)). Also, if one or more of the individuals is covered by another plan (for example an employer provided health insurance plan, Social Security Medicare, Louisiana Medicaid), then they are exempt. Anyone else in the household not covered is not exempt. If the coverage gap between health insurance plans was less than three months, you are exempt. You will not need an exemption certificate in these situations. **Otherwise, you will need to check the website at [Healthcare.gov](http://Healthcare.gov) to see if you qualify for any other exemption excuses for waiver of a penalty. You would need to obtain a certificate of exemption in each circumstance from them. We can not obtain exemption certificates for you. If we do not see your exemption certificate, then we will assume you are not exempt and calculate penalty.** We will need the Certificate number or ECN number as reported on the Form 8965 form. We must follow IRS rules.

If your total household income is greater than the poverty guideline amount, and you had no insurance, you will owe a penalty on your tax return for each non-covered individual not exempt from the coverage requirement. Penalty is the greater of \$695 per non-covered person, or 2.5% of the household adjusted gross income (maximum penalty limit about \$13K).

\*Speaking of insurance, don’t forget to bring us your Homeowner’s Declaration pages for your home or renter policies. If you see a surcharge for “Citizens, Fair Plan, Coastal Restoration,” or any “Assessment,” you may get a credit from LA.

\*For those of you who qualify for the Earned Income Tax Credit or Advanced Child tax Credit, please bring in the child’s birth certificate and social security card as well as your picture ID. Please do so even if you have brought it in the past as we may need to copy them again. Also, be aware that the IRS is stepping up their efforts to challenge many claims to the Earned Income Tax Credit. You must bring us proof that the child lived with you in your house for more than half the year. We need to see it. This includes such things as a doctor or dental bill with the child’s name on it listing visits and treatments with your address on it, or a letter from the school saying that the child’s address of record for the school year was your address. You must keep these items for three years. Also, children over 18 and under 24 must have been in college or vocational technical school, and lived in your house for at least half of the year to qualify. If they were boarding at college, a letter from the school showing your address as their address of record would be good. Furthermore, you must be able to obtain rent receipts or a lease showing that you have provided housing for the children, should the IRS ask for such documentation (and they do!).

\*The IRS is also focusing on educational credits. To claim an education credit, you must keep copies of the cancelled checks, and/or receipts from the college or vocational school for paid tuition and books. If you or your dependent child have borrowed money for school with a student loan, it counts as if you paid tuition. It is usually best for you to claim the child and the education credit. You are permitted to do this even if the child paid for the tuition and books, per IRS rules. The reason for this is that the IRS could give the child a possible credit on the educational credits against any taxes owed on wages they may have earned, but they will not get any refundable credit, of up to \$1,000 more if they are under 25 years of age. Therefore, it is best if they file a return, not claiming themselves, and not claiming the education credit. If the child worked part-time, they can still file a return (just not claiming an exemption) to obtain any possible refund of withheld federal and/or state taxes. Warning: for some reason, kids sometimes file their own taxes without telling you, so warn them not to do so until they talk to you. And while you’re at it, ask them to print the form 1098-T from their online school account—this is a required form in order for you to claim the education credit—we need to see it.

\* Stay informed by visiting our website and liking our facebook pages. We have two of them—an “individual” one that you can “friend” and a “business” one that you can “like”. We try to post tax-related articles about once each day. You can also visit our website; it includes our own blogs, links to even more articles, pictures, contact information, downloadable forms, etc.

Find us: [larrysincometax.com](http://larrysincometax.com) [facebook.com](http://facebook.com) [twitter.com](http://twitter.com) [yelp.com](http://yelp.com)

\*IRS is also focusing on self-employed taxpayers—especially those who claim EITC on their returns. They are not only asking to see proof of deductions via “mail audit” letters, but also are forcing tax preparers to ask extra questions and request documentation that was not part of the interview in years past. For example, we are now required to see proof of your income. This isn’t too hard for those of you who receive 1099’s, but if you don’t receive any—contractors, hair and nail stylists, babysitters, groundskeepers, professionals, etc.—you now have to bring us proof such as: customer invoices, letters from customers; copies of bank statements, customer logs, etc., to prove that a business really exists. If we don’t get this proof from you, we can not finalize your return. IRS is not only cracking down on you, but also on us, so please bring in those documents.

The same goes for expenses. Whereas in the past we were able to take your word for whatever costs and expenses you gave us, we now have to see copies of receipts showing material purchases, tools, insurance, supplies, etc. that prove you have legitimate business expenses. Again, not too big a deal if you have a business checking account and credit cards, but it gets a lot harder when you’re a sole proprietor who pays for mostly everything with cash and doesn’t save receipts. We will not prepare your return if you can’t provide proof of your expenses. Thankfully, we don’t have to inspect each and every receipt, but you must bring enough to justify what you’re claiming.

Additionally, although not yet required by IRS, different seminars have suggested that self-employed individuals attain an occupational license from the local government agency where your business is based. For example, if you’re a carpenter based out of St. Rose, you should get your occupational license from St. Charles Parish. Some even suggest that you get an LLC—or at the minimum keep separate checking and credit card accounts that are used strictly for your business. These two moves can keep IRS from challenging your business and calling it a “hobby”—which is important since one big limitation of hobbies, among others, is that you can’t deduct the losses derived from a hobby.

\*Regarding scams, it’s gotten to where anyone can easily become a target. It’s easy to think that you’re “not going to fall for that,” or, “how can those people give their information out like that?” and even, “who’s dumb enough to pay with an iTunes card?!?” but I’ve read and been told that some of those callers “transfer” you to other departments, have office chatter in the background, and sound extremely official and convincing...especially to someone who happens to owe a legitimate balance to IRS. Phishing e-mails are also very convincing. Some of them have logos, “800” numbers, privacy disclaimers, etc...even though they’re bogus. Even tax offices get duped by these schemes.

The latest IRS scam I’ve heard is that the victim receives a letter that looks just like an IRS collection letter, asking for a fairly small amount—a few hundred dollars—hoping that people will just pay it. The only difference from a legitimate IRS letter was the PO box number had been changed to the scammer’s and that they wanted you to write the check out to “IRS” instead of to the “United States Treasury” (the reason being that “IRS” can easily be changed to “MRS\_\_\_\_\_”). In some cases, the tax preparers themselves didn’t even recognize it and advised the client to pay it!!

**IF YOU ONLY REMEMBER ONE THING FROM THIS WHOLE PACKET, LET IT BE TO NEVER GIVE ANY PERSONAL OR FINANCIAL INFORMATION TO ANYONE WHO CALLS YOU OUT OF THE BLUE. THE IRS DOESN’T CALL YOU ASKING FOR MONEY—THEY MAIL SEVERAL LETTERS, AND, IF YOU IGNORE THEM, THEY GET THEIR MONEY FROM THE BANK WITHOUT CALLING YOU!**

Please call us to schedule your appointment as soon as you have received all required information necessary to prepare your tax return. If you have any questions regarding this letter, please call us and we will try to return your call as soon as possible to allow you sufficient time to get your information ready prior to your appointment. If you leave a message, be sure to leave your complete name and phone number.

Finally, IRS is cracking down on preparers. There are fraudulent preparers out there that really are “wolves in sheep’s clothing”. We ask you to be a good friend or relative to your loved ones. Tell them about us to help eliminate their chances of becoming victims to unscrupulous preparers. Our relationship with you is based on mutual trust and respect, and we sincerely thank you for your continued patronage—don’t keep us a secret!

Sincerely,  
*Larry R. Gaubert*  
President

P.S. As always, thank you for your continued patronage, loyalty, and your referrals. Whether you tell others about us to get \$25 or because you love and appreciate what we do for you, we will always be in your debt for your word-of-mouth testimonials. Don’t be afraid to embarrass us with your gleaming reviews anywhere you find our name on the web (facebook, Yelp, our website, Google, YP.com, etc.)—your pride in this context is a good thing. ☺

## “TIDBITS, UPDATES, AND REMINDERS”

- All refunds that include any Earned Income Tax Credit (EITC) or Additional Child Tax Credit (ACTC) will not be mailed until after February 15, 2017. No partial refunds issued. Sorry—this is part of the new law (PATH Act).
- **If you have health insurance through the Marketplace (aka “Obamacare”), you MUST BRING IN FORM 1095A. If you don’t get one, call 1-800-318-2596 or log in to your healthcare.gov account to print it.**
- If you don’t have insurance, penalty is \$695 per adult or 2.5% of income (\$13,380 maximum penalty). “Open season” to enroll (whether private or Marketplace) ends 1/31/17. Enrolling at any other time requires a “life-changing event.”
- **In order to claim college education credits, you MUST GIVE US FORM 1098-T. If you don’t get it, log in through the school’s portal. Only tuition, fees, books and supplies qualify (no dorm/food/clothes/etc.).**
- If you suffered a loss during the floods of 2016, **download our Casualty Spreadsheet at: [www.larrysincometax.com/forms/folder/as-seen-in-our-blognewsletter-most-recent-listed-first](http://www.larrysincometax.com/forms/folder/as-seen-in-our-blognewsletter-most-recent-listed-first)**
- Student loan interest can only be deducted by persons legally obligated for the student loan. This means that your name must be on the loan paperwork as an applicant, co-applicant, or guarantor.
- 2016 mileage rates are: 54 cents for business; 23 cents for medical, and 14 cents for charitable
- Remember that commuting miles are not deductible. Only work-related miles driven after you reach your work location are deductible. Mileage between multiple jobs is also deductible. We’ll need to subtract gas reimbursements from your mileage total, so please let us know of any reimbursements your employer pays you.
- The maximum Earned Income Tax Credit is \$6,269 for three or more children. Single folks over 25 may also qualify.
- It’s a shock losing your \$1000 child tax credit. This happens the year the child turns 17 or if your income is too high.
- A non-custodial parent needs to have a signed form 8332 from the custodial parent to claim a child as dependent.
- Let us know if you’re repaying the Homebuyer’s Tax Credit (that \$500/yr for 15 yrs for a home purchased in 2008).
- An ABLE account is available for folks who were disabled prior to their 26<sup>th</sup> birthday. Similar to Roth IRA’s, it’s funded with after-tax dollars and distributions are nontaxable as long as they’re used to pay for the beneficiary’s expenses (housing, medical, education, etc.). **Read more at: [www.ablenrc.org](http://www.ablenrc.org)**
- For those of you with foreign checking accounts: FBAR nonfiling, nonwillful penalty is currently \$10K. For willful nonfilers, the fine is the greater of \$100K or 50% of the foreign account balance, plus possible criminal prosecution. The FBAR filing deadline has been changed from June 30<sup>th</sup> to April 15<sup>th</sup>. **Filing is free online at: [www.fincen.gov](http://www.fincen.gov)**
- Fees charged by IRS and Louisiana for copies of tax returns are \$50 and \$15, respectively. We only charge \$35 for a full paper copy or \$25 for a full PDF copy—quite a bargain! We are waiving this fee for all flood victims.
- **Remember to bring in your 2016 homeowner’s declaration page. Let’s be clear on what we mean by “2016”: It’s a policy starting in 2016. Even one for 12/30/16 thru 12/29/17 is considered a 2016 policy for this credit.**
- Louisiana has said there are no more funds for solar credits. For all practical purposes, it’s over, folks.
- Louisiana is very much involved in a “Vendor Payment Offset Program,” meaning they’ll take your refund to pay for things like: past due taxes, child support, student loans, court costs—even *unpaid tickets!*
- The topic of fraudulent tax filings, identity theft, and overall online fraud continues to be at the forefront in all IRS and Louisiana seminars this year.
  - IRS reminds you that they’ll never contact you by email and/or demand immediate payment—especially via wire transfers or credit card. If you think you may owe, call IRS directly at 1-800-820-1040 to verify.
  - IRS will assign you an IP PIN each year to use when e-filing. Your return will reject without it. **You MUST BRING US THE IRS LETTER ASSIGNING YOU THE IP PIN.**
  - Louisiana says to never give out personal information via email or phone—unless you are the one who made the call. Never click on links or give your passwords, SSN’s, account info, etc.
  - Both recommend a paid tax preparer who is licensed, informed, professional, honest, and willing to sign their own name as the person who prepared that return—someone like us!
- Teachers: if you spend >\$250 in school supplies, you may be able to itemize the amount >\$250. Bring the total spent.
- If you buy a large-ticket item for which you paid sales tax—you may be able to itemize the sales tax you paid.
- Major life changes (marriage, divorce; children being born/leaving home, losing your job; retired, etc.) may require withholding adjustments. Definitely contact the Marketplace if covered under “Obamacare”
- Many people could qualify for a Saver’s Tax Credit. It’s a percentage of what you contribute into IRA’s or company retirement plans—in some cases the credit can be up to \$2000! **Read more: [www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit](http://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit)**
- **If you do Uber or Lyft, you will very likely receive a form 1099 at the end of the year, meaning you’re self-employed.** You need to report the income on schedule C and keep track of your expenses (mileage especially) so we can discuss at your tax appointment. You should read the “BUSINESS UPDATES AND REMINDERS” enclosed.

## “BUSINESS UPDATES AND REMINDERS”

- Louisiana’s R & D credit is now non-refundable with a five-year carryforward period.
- **Businesses also qualify for the Citizen’s Assessment tax credit.** If your fire and casualty or contents insurance includes the assessment, the state will refund a portion to you. **Bring us the 2016 declaration page (begins in 2016).**
- If “inventory” is listed on your parish personal property tax bill, you may get a LA tax credit. Bring us the bill.
- Section 179 deduction limit is now “permanently” set at \$500,000 (until they change it again!).
- All LLC’s and Corporations are created and registered with the Secretary of State office (SOS). Many forget there is an annual renewal form and \$35 fee that needs to be submitted to SOS. **Check to see if you’re in “good standing”:** **<https://coraweb.sos.la.gov/CommercialSearch/CommercialSearch.aspx>**
- If you are a small business (< \$10M gross sales), certain leasehold improvements of up to \$10,000 can be deducted immediately, rather than being depreciated over 15 years
- If you are a small landlord (property cost <\$1M), you may also be able to use the \$10,000 safe harbor for improvements made to your rental property instead of depreciating over 27.5 or 39 years
- Businesses now have a \$2500 “de minimis safe harbor” in respect to “acquiring, producing, and improving tangible property”. The old rule was that anything that cost over \$500 had to be depreciated This is a special election that you need to make—not an automatic thing—so you must tell us if you had those types of expenses during the year.
- Work Opportunity Credit for hiring targeted groups continues through 2019. For more info, visit IRS website: <https://www.irs.gov/businesses/small-businesses-self-employed/work-opportunity-tax-credit-1>
- C Corporations (form 1120) have new filing deadline of April 15<sup>th</sup>—no longer March 15<sup>th</sup>
- Partnerships (form 1065) have a new filing deadline of March 15<sup>th</sup>—no longer April 15<sup>th</sup>
- If you issue W-2’s and/or 1099’s to workers, January 31<sup>st</sup> is now the deadline to give those forms to the employees AND to mail them to the respective SSA and IRS offices. **This is a change—late penalties are \$50/mo/recipient**
- LA Workforce Commission (LWC) audited many businesses to see whether they were correctly classifying workers. We have brochures to help you determine the proper classification, or **use the LWC assessment tool:** **<http://www.laworks.net/UnemploymentInsurance/MisclassEmployer.asp>**
- Business mileage for 2016 is 54 cents per mile. Make sure you keep a mileage log. As mentioned above, commuting miles aren’t deductible. FYI, several clients are enthused with an app called MileIQ. It tracks mileage using GPS and you swipe left or right to denote whether miles are business or personal. It costs around \$6/mo. I’m sure there are others (maybe even free?). You can also **print our log sheet:** **[www.larrysincometax.com/upload/files/general-business-grab-bag-of-miscellaneous-business-forms/Mileage\\_Log.pdf](http://www.larrysincometax.com/upload/files/general-business-grab-bag-of-miscellaneous-business-forms/Mileage_Log.pdf)**
- For those of you who are a sole proprietors (or LLC filing on schedule C), remember that you can hire your children under 18 and their salary is exempt from FICA tax. This is a great way to get them “to pay” for things like school tuition, car insurance; clothes, entertainment, etc. that you’d normally be subsidizing for them. The first \$6300 they get is totally tax-free due to their standard deduction.
- Those of you with “S Corporations” are required to take a “reasonable” salary. “Reasonableness” is not defined anywhere and depends on things like business profitability and the actual work you perform. At the seminars, we often hear this informal definition of what “reasonable” means: “What you’d pay someone else to do what you do!”
- There have been tax cases where taxpayer deductions have been disallowed—even when receipts are present—because of a taxpayer’s lack of “recordkeeping.” IRS doesn’t dictate how you do it, but they want you to have a consistent method of recording income and expenses. IRS can also reclassify your business as a “hobby”—especially if you keep accumulating losses year after year. Usually, showing losses 3/5 years means they’ll start looking at you. Among other factors, “running the business like a business” is a major one. This includes things like: having an LLC, a business license; keeping a set of books, keeping separate business accounts; having business liability insurance, etc. If you’re interested, we offer year-round bookkeeping services (either monthly or quarterly) at very reasonable prices.
- Check us out at our web site, [www.larrysincometax.com](http://www.larrysincometax.com), on facebook, twitter, and even yelp! We post tax related articles that will keep you abreast of changes as we learn about them. A nice review wouldn’t hurt either...☺
- Here are a few other sites that, as a business owner, you may want to check out every now and then: [www.irs.gov](http://www.irs.gov) [www.revenue.louisiana.gov](http://www.revenue.louisiana.gov) [www.sba.gov](http://www.sba.gov) [www.laworks.net](http://www.laworks.net) [www.business2community.com](http://www.business2community.com) [www.entrepreneur.com](http://www.entrepreneur.com) [www.nola.com/business](http://www.nola.com/business) and [www.score.org/browse-library](http://www.score.org/browse-library)
- Despite some buzz at the end of 2016 from other states and municipalities, the minimum wage didn’t change at all in Louisiana. It is still \$7.25/hr. Remember that overtime must be paid whenever an employee works more than 40 hours in one week. If you pay every two weeks, each week has to meet its own 40-hr test. You may have to pay overtime even if an employee works under 80 hrs for the two-week period (for example, if they worked 45 hrs one week and 20 the next, there are 60 regular hours and 5 overtime hours). Overtime rate is 1-1/2 times the regular rate.
- We can’t stress enough that the IRS is getting tough—especially on sole proprietors or LLC’s that file a schedule C. It is extremely important that you keep all records to prove that you’re entitled to whatever you’re claiming. Also, if you ever get a “mail audit,” don’t ever mail them your original documents—always send copies because government agencies can—and do—lose your packets. No originals=no proof=no deduction=extra tax owed=unhappy you!!

## **INFORMATION TO BRING TO YOUR TAX APPOINTMENT INTERVIEW:**

1. Wage and or Pension, Social Security, or Unemployment statement — your W-2's or 1099 forms, state tax refund or other income or loss end of year statements, Gambling Income and losses (W-2 G's) (plus loss statements from casinos).
2. Interest, Dividend or Investment Income end-of-year total earnings statements — 1099's or K-1's from bank or investment firm. If you sold stocks/investments during the year, we need to know when and for how much you originally bought the investment, whether you reinvested its earnings; as well as the date and amount you sold that investment. IRS may send notices and conveniently forget to give you credit for what you originally paid—making the entire sale look like profit!
3. Self-employment income and expenses (please total the expenses by category types, as we charge bookkeeping fees if we need to do this), business mileage logs or totals. If office in home, we need to know the total electric, gas and insurance for year. Also, we'll need the square footage of the office area and entire living area of the house, as well as purchase price of the house; major improvement costs, pest control, plus any repairs or maintenance done to the house.
4. Rental Income and expenses (total your receipts by types of expenses, mortgage interest, insurance, repairs, utilities, etc.).
5. Alimony paid or received during the year, including the name and social security number of recipient.
6. Purchase or sale of residential house, rental, investment, or business property. Please bring the HUD statements.
7. Medical expenses (totals by type of expenses paid by you out of pocket: Doctors, Hospitals, Clinics, Eye care, Dental, Prescriptions, Medical Insurance (not pretax), Mileage for medical care, etc.
8. Property tax paid. State withholdings we can obtain from your W-2. Estimated state tax paid. Last year state tax paid.
9. Charitable donations, check donations and non-cash donations such as value of clothes to Goodwill, Salvation Army, etc. Mileage for charitable purposes. You must keep receipts for your records (cancelled checks or donation letters).
10. College and vocational education expense for tuition and fees and supplies, student loan interest for Federal return. Private school tuition, uniforms, books and supplies are deductible for Louisiana state only.
11. Mortgage Interest (1st, 2nd, Home Equity, Home improvement or points paid). Investment interest.
12. Work expenses (Union or Professional Dues, required work supplies, work tools, and required use of vehicle calling on clients or for other duties of your job for the employer). You may give us mileage information totals as to total business miles, commuting miles, personal miles used or an actual completed log. You must keep a completed log for at least 3 years to prove what you tell us. If claiming the actual expense we need to know whether you are buying or leasing, the purchase date and price as well as yearly totals for gas, repairs, maintenance, insurance and loan interest. We still need the mileage information. Also, did you receive any reimbursements? For business meals deductions, you must have receipts that have 5 items recorded on front or back of receipt. These are the date of meal, place of meal, with whom meal was, purpose of meal, and amount spent on meal.
13. Child care expenses paid to day care providers including their name, telephone number, address, and tax ID number.
14. Copy of your homeowners Declaration insurance page for last year for the Hazard Insurance because Louisiana still is giving credit for the Fair Plan Citizens Surcharge tax (not much, but something's better than nothing!).
15. Social Security Card and Picture ID or Driver's License, if claiming EITC and/or Bank Products. Also Social Security Card and Birth Certificate as well as PROOF the child lived with you at least half of the year. IRS REQUIRES THIS.
16. Any other information in regards to income that you earned or expenses that you believe to be deductible. Please ask us about it or show us the information during your tax appointment. It is better to ask now than to get a letter from IRS in 1-2 years, asking for copies of the documents that you threw away because you didn't think you needed them!

Finally, **please save all your receipts, cancelled checks, credit card statements, and other proof of deductions you claim for at least three years.** We recommend five to seven years. Vehicle mileage logs should be completed during the year to prove the business mileage and usage of the vehicle for which vehicle expenses are claimed. Get a log template from our site: [www.larrysincometax.com/upload/files/general-business-grab-bag-of-miscellaneous-business-forms/Mileage\\_Log.pdf](http://www.larrysincometax.com/upload/files/general-business-grab-bag-of-miscellaneous-business-forms/Mileage_Log.pdf)

PLEASE CALL EARLY TO MAKE SURE YOU GET THE APPOINTMENT YOU WANT---SEE YOU SOON!!!!

Find us: [larrysincometax.com](http://larrysincometax.com) [facebook.com](https://www.facebook.com) [twitter.com](https://www.twitter.com) [yelp.com](https://www.yelp.com)