



YEAR-END TAX PLANNING GUIDE 2020

This *Year-End Tax Planning Guide* is general in nature and is **not all inclusive**. It is the taxpayer's responsibility to keep backup records to verify deductions. Examples of backup records could include: canceled check images, financial account statements, credit card receipts and other documentary evidence. **SUBJECT TO CHANGE IF CONGRESS PASSES NEW LEGISLATION.**

MEDICAL DEDUCTIONS

This deduction is your out-of-pocket expense net of any reimbursement.

- Acupuncture
- Ambulance service
- Boutique/Concierge fee
- Braille books and magazines in excess of regular edition costs
- Breast pumps and supplies that assist lactation
- Crutches/Wheelchairs/Walkers
- Dentist/Orthodontist/Dentures
- Doctors
- DNA Testing Firm 23andMe-Medical Portion
- Eyeglasses/Contact lenses and saline solution
- Fertility enhancement/Pregnancy test kit
- Hearing aids, batteries and exam
- Home improvements (physician prescribed)
- Hospital/Rehab/Assisted Living/Nursing Home/Memory Care Stay
- Insulin treatment
- Lab fees
- Medical alert system
- Medical supplies/bandages
- Medical conference related to your diagnosis
- Mileage for travel to medical appointments
- Nursing Services/Home Care from an agency. Please provide name of agency and total amount paid
- Pension stub showing after-tax medical insurance premium deduction (last quarter of year stub)
- Physical, Speech & Occupational Therapy
- PREMIUMS: Dental Insurance, Health Insurance including COBRA, Medicare Premiums, Supplemental Insurance, Prescription Plan Part D, Tax Qualified Long Term Care Insurance
- Prescriptions from foreign countries (legally imported)
- Prescriptions. Provide total amount or ask the pharmacy for a printout
- Residential Living: Independent Living, Life Care Residence/Continuing Care Community. Amount allocated to cover medical needs. (Letter from facility required)
- Shower grab bars (purchase & installation)
- Smoking-cessation program
- Special Education Costs (physician recommended)
- Telephone equipment for the hearing-impaired
- Transportation & Lodging expenses for out-of-town medical care in a hospital (limited)
- Weight loss program (physician prescribed)
- Whirlpool baths (physician prescribed)
- Form 1095-A (Health Insurance Marketplace Statement)
- Form 1095-B (Insurance Company Statement)
- Health Savings Account Forms 1099-SA & 5498-SA
- Form 1099 LTC—Long Term Care Reimbursements From Insurance Company

Dependents (Children and Adults)

- New children (name, date of birth and social security number).
- Childcare expenses (including day camp) — name, address and federal tax ID number.
- Adult daycare expenses — name, address and federal tax ID number of the facility.
- Adult dependents (parents or adult children) — Name, date of birth and social security number if you give more than 50% support.

EVEN THOUGH THERE IS "TAX SIMPLIFICATION" WITH HIGHER STANDARD DEDUCTIONS AND NO PERSONAL EXEMPTIONS, IT IS STILL EXTREMELY IMPORTANT TO GATHER YOUR ITEMIZED DEDUCTIONS FOR 2020 JUST LIKE IN THE PAST.

Savings and Investment Information

- Interest (including tax-exempt) and dividend statements (1099-INT, 1099-OID, 1099-DIV).
- Income from sale of stock or other property (1099-B).
- The cost-basis and acquisition date for securities sold, if these do not show on the financial advisor annual statement. Include your dividend reinvestment basis if you were in such a program.
- K-1s from Limited Partnerships purchased through your financial advisor. (Mailed directly from Partnership).
- 1099 annual statement from the financial advisor.
- Contributions to your 2020 retirement accounts.
- Investment interest expense (i.e. margin interest).
- Foreign bank and security accounts. (If the value is greater than \$10,000 **at any time** during the calendar year, you must file a Form FINCEN 114 online by April 15, 2021.)
- Do you have a financial interest in a foreign account or distributions from a foreign trust?
- Do you have cyber currency transactions?

Education

- Student Loan Interest Statement Form 1098-E.
- Higher Education Tuition Statement Form 1098-T.
- Contributions to 529 plan if over \$15,000 per beneficiary.

Income

- ALL** copies of W-2s.
- Social Security Form SSA-1099.
- Retirement 1099-R — IRA, Pension and Annuities.
- K-1 Trust/Estate income.
- K-1 statements from partnerships/S-corporations.
- Other 1099s (i.e. unemployment, state tax refunds, jury duty).

- Alimony.
- Foreign income.
- W-2G (gambling winnings).

Real Estate

- Real estate taxes.
- Mortgage and Home Equity interest secured by personal residence.
- Rental property income and expenses.
- Closing statement for buy/sell or refinance of any property. (HUD-1)

Miscellaneous Documents

- Written confirmation from your doctor if you are blind.
- A list of estimates paid (Federal and/or State) 4/2020, 6/2020, 7/2020, 9/2020 and 1/2021.
- Qualified Charitable Deduction — Supply the name of the charity and the amount transferred from your IRA.
- Thrift shop receipts for donated items.
- Donations — Total amount for the year. You must be able to substantiate this amount by canceled check, charge card receipt and/or receipt or letter from the charity. Donations of \$250+ must have contemporaneous written acknowledgements.
- Mileage and/or expenses incurred for volunteer work.
- Income tax paid to other states.
- Gifts — Any gift over \$15,000 per person may require a gift tax return.
- Sales tax on major purchases or country club dues.

Employment-related

- If you are self-employed — a list of income and expenses including home office deductions.
- Business mileage 2020 - total business miles.
- Teacher expenses.

SIDNEY M. SCHUCHMAN, CPA LLC

7777 Glades Road Suite 100 • Boca Raton, FL 33434
Mailing Address: P. O. Box 970637 • Boca Raton, FL 33497-0637
(All Mail Should Be Sent to the Post Office Box Address)
Tel: 561-544-1010 • 800-871-5216 • Fax: 561-544-1099
Website: www.cpapoca.com • E-mail: sidney@cpaboca.com

