



HEATHER R CHAMBERS, CPA, INC

1230 East Wardlow Road * Long Beach, California 90807
(562)424-4301 * FAX (562)426-2922 heather.r.chambers@gmail.com



NOVEMBER/DECEMBER 2019

Dear Best Clients Ever:

The years fly by, don't they? We hope this one was a good one for you. As we come to the end of 2019 it is once again time to remind you about preparing for your tax returns. In this office we seem to be thinking about taxes all year long, but we are aware that you are not! So we attempt each year to gently prod those who can't seem to get their records in order to do so earlier, hoping that will make it easier in the long run. If you are reading this, you are probably one of the "good" clients who like to get things done with the least possible hassle. Thank you for that! If you've never seen one of our letters before, please know that if any questions arise in your mind as you read, you can give us a call for clarification. We are providing a "checklist" (below) of items typically needed for tax returns each year. And as always, please call for an appointment as soon as you think you will have everything needed.

WHAT WE NEED TO PREPARE YOUR TAX RETURN:

- W-2 FORMS (See enclosed withholding info.)
- 1099-INT, DIV
- 1099-Rs for RETIREMENT INCOME, ANNUITIES, IRAs, ETC
- 1099 FROM BROKERAGES
- 1099 FOR UNEMPLOYMENT and/or FAMILY LEAVE
- 1095-A,B OR C OR OTHER HEALTH INSURANCE INFO
- MORTGAGE INTEREST FORM 1098 (if you can itemize)
- PROPERTY TAX PAID DURING THE YEAR
- CHARITABLE CONTRIBUTIONS PAID BY CASH, CHECK OR CREDIT CARD
- NON-CASH CONTRIBUTION RECEIPTS (WITH DATES, DESCRIPTIONS OF ITEMS DONATED)
- BUSINESS INCOME AND EXPENSES written out (+1099-MISC, 1099-K IF APPLICABLE, ETC)

Also have business mileage and home office expense information written down.

- RENTAL INCOME AND EXPENSES BY PROPERTY
- If you bought or sold real estate, you should include a copy of your CLOSING STATEMENT for each transaction.
- K-1 FORMS FROM TRUSTS, PARTNERSHIPS, S-CORPS (these might come late, necessitating an extension)
- HSA forms (1099-SA) if you have a health savings account, or forms for 529 plan distributions
- Copies of Social Security cards for each dependent would be a good thing if we haven't gotten that info in earlier years.
- Estimated taxes paid

If you haven't done so already, please find a box, large envelope or folder, and put it in a place where you can gather all **Important Tax Documents** as soon as they come in the mail. (You should open them, but put them in the box.)

Then, when it's time to see us, you can grab everything at the ready! Or...

If you plan to scan and email information to us, please try to do it all at once so we are able to keep track of it all.

If you plan to mail info to us, please make copies to send, and keep the originals safely in your records (for at least 4 years).

If you move, be sure to keep us aware of your comings and goings. Just pop us an email to let us know your new address, phone number and/or email, if there are changes. Please be aware that **moving** is a time when tax information or prior year returns can easily get misplaced, so it would be wise to designate an "Important Papers" box to include the past couple of years of tax returns, and if the current year has not yet been filed, all current tax-related documents and lists of contributions or other deductible expenses. This box should be kept separate from everything else and closely monitored!

If your tax return is in the process of being prepared and you haven't heard from us, please call or email to inquire, or check to see if we have emailed you questions that you may have missed. Communication is key!



You can run, but you can't hide!



Earned Income Credit (EIC) and others: There are a number of issues related to EIC, dependent and education credits that result in the necessity of documenting answers to questions related to dependents and small business income. Also Head of Household status faces a batch of questions that we have to document the answers to. So be forewarned if you are affected.

Timely Filing: We strive to get everyone's returns done on time, but with our increasing clientele and recent changes in corporate and partnership due dates, this is becoming more and more difficult. Therefore, if we receive your tax documents after April 1, and you want the return done by the April deadline, we will charge an additional fee of \$25. Furthermore, we are not able to guarantee returns will be done by the due date, so if necessary, we can get an extension to file for you. (See next.)

EXTENSIONS: We are happy to help request an extension to file, but if you get your own, please let us know. Also, be aware that if you will owe a balance, it should be paid with an extension request to avoid late payment penalties. If you are expecting a refund, then you can just get the extension, but should still file as soon as is feasible. Some people are forced to wait for K-1s from partnerships or S-Corps, some for late-amended brokerage 1099s, but many just procrastinate. If you typically pay estimated taxes, and don't file the previous year early enough, there is a lot of figuring to do to keep from missing too many estimate due dates for the next year. In any case, the duty to file your tax returns rests on YOU. Please keep in mind that your taxes still need to be filed, and don't wait too long to do so. You are always on our minds.

Once again we have an Engagement Letter enclosed with this letter. Please review this letter, sign it and bring it with you to your tax appointment, or send a copy with your info when you mail it. It's somewhat of a formality, but we are trying to be a little more proactive in this area, and we do appreciate your cooperation.



Our privacy statement:

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on tax preparation worksheets, applications and other documents we use in preparing your tax returns or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information we receive from a consumer reporting agency.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law, or as requested by you. We restrict access to nonpublic personal information about you to those members of our firm who need to know that information to provide services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. Your confidence in us is important and we want you to know that your personal information is safe. If you have any questions or concerns about this, please contact us.

If you were not covered by a **health insurance** policy in 2019, you have a one-year reprieve from any Shared Responsibility Payment, that previously increased your federal balance due or reduced your refund. In any case, please provide us with any and all Forms 1095 that you receive. For 2020 the state of California is requiring everyone to have health insurance, and penalties will be similar to federal penalties in past years.

IRA Distributions: If you are over age 70-1/2, don't forget to take your Required Minimum Distribution by Dec 31. The penalties for not doing so are severe...50% of the required amount. Having it set up to be distributed on a monthly or annual basis automatically is the best and safest way to ensure it is done. And having taxes withheld usually makes sense.

IRA Contributions: The rules and limits are the same as last year, that is, you have until April 15 to make a contribution to any IRA for 2019. The maximum is \$6,000 (\$7,000 if over age 50), or your earned income from wages or self-employment if that is less. The maximum amount can be contributed to a Traditional, or Roth, or a combination of the two.

We recommend making your tax appointment early. We will be happy to schedule you for a future date.

We look forward to seeing the many of you who will come in, and hearing from those who can't physically come into the office. We all wish you the merriest of holidays, however you celebrate! And may 2020 bring you continued health and prosperity.

Thanks for reading! With warmest wishes in the (possibly) cool season,

Heather, Melody, Mike, Tracy and Carrie



Closing thoughts:

---Every year around April 15 Americans have a rendezvous with debt.



---Income tax is the fine you pay for thriving so fast.

---A harp is a piano after taxes.