# CHECKLIST OF ITEMS THAT MAY AFFECT YOUR 2023 TAX RETURN

## 2023 Federal Key Amounts

**2023 Standard Mileage Rates:**

- Business: $ 0.655/mile.
- Medical & Moving: $ 0.22/mile.
- Charitable: $ 0.14/mile.

**2023 Standard Deductions:**

- Single or MFS: $ 13,850.00
- MFJ or QW: $ 27,700.00
- HOH: $ 20,800.00
- If blind or age 65 or older, additional deduction per event:
  - MFS, MFJ or QW: $ 1,500.00
  - Single or HOH: $ 1,850.00

**Personal & Dependent Exemptions:**

- $ 0.00

## Personal Data/Helpful Information

- ☐ **Birth dates** of taxpayers *(if new client)*.
- ☐ Copy of last year's return *(if new client)*.
- ☐ Name, social security number and dates of birth for **new dependents**.
- ☐ Driver's License, include a readable copy of the front and back of your **Driver's License** or **Non-Driver ID**.
- ☐ Changes to **marital status** or **address** during 2023.
- ☐ Permanent or total **disability** or **blindness** for taxpayer or spouse.
- ☐ Copy of any notices received from IRS (Internal Revenue Service) or State.
- ☐ **Direct Deposit of Refunds or direct withdrawal of amounts due**: account #, routing #, bank name, checking or savings *(please attach a voided check for checking accounts or a deposit ticket for savings account)*.
- ☐ Detail of expected **substantial change** in income, deductions, or dependents for 2024.

## Income

- ☐ Income from employer — **W-2**s.
- ☐ Interest — **1099-INT**.
- ☐ Dividends — **1099-DIV**.
- ☐ Sale of Securities — **1099-B** *(see Stocks/Mutual Fund sales below)*. ***Cryptocurrency is treated as property for tax purposes and therefore any sale or exchange must be reported on your tax return.***
- ☐ Annuities, pension, IRA, and other retirement plan withdrawals — **1099-R**.

- **Qualified Charitable Distributions (QCD).** For those who are 70 ½ or older, indicate if any of the distributions went directly to a qualified charity. This will NOT be indicated on the 1099-R. The 1099-R will reflect the total amount distributed.

- ☐ State tax refund — **1099-G** *(NYS no longer mails)*
- ☐ Unemployment compensation — **1099-G** *(NYS no longer mails, but is available online at www.tax.ny.gov)*
- ☐ Social Security income — **SSA-1099**.
- ☐ Commissions, fees, non-employee income — **1099-MISC/1099-NEC**
- ☐ Merchant Card/Third Party Network Payments — **1099-K**.
- ☐ Proceeds from sale of real estate — **1099-S** *(see Real Estate below)*.
- ☐ Education Savings Account or 529 Plan Withdrawals — **1099-Q**.
- ☐ Health Savings Account Withdrawals — **1099-SA**.
- ☐ Cancellation of Debt — **1099-A** or **1099-C**.
- ☐ Income from partnerships, trusts, estates, or S-Corps — **K-1**.
- ☐ Gambling or Lottery winnings — **W-2G**.
- ☐ Tip income not reported by your employer.
- ☐ Self-employment income *(see Schedule C worksheet available on HFA website or by request)*.
- ☐ Rental real estate income or royalty income *(see Schedule E worksheet available on HFA website or by request)*.
- ☐ Other income not reported above.

## Health Care Coverage Forms

- ☐ **1095-A** — for health insurance coverage in the MARKETPLACE. If you have coverage through the marketplace, **you must provide a copy of the form**. You may have to contact the exchange to get a copy. **The IRS will not process your return if you are issued this form and we do not provide the data on your return.**
- ☐ **1095-B —** for private health insurance coverage, *(provide, if received).*
- ☐ **1095-C**--for employer-provided (or offered) health insurance coverage, *(provide, if received).*

## Stocks/Mutual Fund/Cryptocurrency Sales — required information

- ☐ Date security was purchased and sold *(usually obtainable from broker or on 1099-B)*.
- ☐ Purchase price/cost basis of securities *(usually obtainable from broker or on 1099-B)*.

## Real Property

- ☐ Sales or purchases of real property in 2023, provide **Closing Statement.**
- ☐ For purchases of principal residence any time from April 9, 2008, to Dec 31, 2008, with the **first-time homebuyer credit,** you will continue to make your $ 500.00 repayment ("recapture") of this credit on your 2023 tax return. The credit is paid back over 15 years and is interest-free. If the home is sold or is no longer your principal residence, the entire credit is recaptured in that year, <u>not to exceed the gain,</u> if any, on the sale. IRS has a tool that allows taxpayers to find the amounts remaining to be paid (irs.gov/credits-deductions/individuals/first-time-homebuyer-credit-account-look-up).

- ☐ **Rental real estate**, provide rental income and expenses *(see Schedule E worksheet available on HFA website or upon request)*.
- ☐ **Real estate taxes** for principal residence and other real property *(vacation homes, vacant land)*.
- ☐ **Mortgage interest, points paid, and mortgage insurance premiums paid** *(Usually reported on Form 1098)*.

## Education — Teachers and Students

- ☐ **Teachers/Educators** — provide out-of-pocket classroom costs.
- ☐ **Student Loan Interest** paid *(reported on **1098-E** - please note that these are available online and are not typically mailed)*
- ☐ **College Tuition/Expenses** for taxpayers and/or dependents. Please provide the **year of school** (i.e., freshman, graduate school, etc.) and the **1098-T**. This will be in the name of the student, but if the student is a dependent, it should be included with the parent/guardian return. If available, also provide a transcript/receipt from school showing tuition paid. **Please note we must have a copy of the 1098-T to take the credit. If you did not receive the form, contact the school, or check online.**
- ¨ **Interest on Savings Bonds** redeemed by a taxpayer to pay for qualified education expenses, may be excluded from income.
- ☐ **529 Plan Contributions** *(up to $10,000 for MFJ)* **are deductible** on **NYS** returns, provided the contribution is to a **NYS** 529 plan. Please provide the statement showing the contribution.
- ☐ **Education Savings Account** or **529 Plan Withdrawals** *(usually reported on **1099-Q**)*.

## Itemized Deductions *(used if greater than standard deduction)*

- ☐ **Medical/Dental Expenses** - includes health insurance, long-term care insurance premiums paid, medical mileage, co-pays to doctors, etc. Medical and dental expenses are deductible to the extent they exceed **7.5%** of adjusted gross income. *(See Medical Expense Worksheet available on HFA website or upon request)*.
- ☐ **State Income Tax Paid** or **Sales Tax Paid**, whichever is greater *(for sales tax, you do not need to provide receipts or actual amounts unless you made significant/large purchases (i.e., cars, boats))*. There is a **$10,000 OVERALL LIMIT ON DEDUCTION** for all state, local and property taxes paid.
- ☐ **Property Taxes** paid on residence and/or other real estate. (There is a **$10,000 OVERALL LIMIT ON DEDUCTION** for all state, local and property taxes paid).
- ☐ **Mortgage Interest; mortgage insurance premiums; points** - *Form **1098** (The deduction of HELOC interest is not permitted unless the debt is used for that home's improvement or home acquisition)*
- ☐ **Charitable Contributions** and/or mileage. For cash donations, you must retain for your records the bank record, credit card statement or written communication from the charity.

  For **non-cash items**, provide date of contribution, items contributed, and charitable organization's name and address. *(See Charitable Expense Worksheet available on HFA website or upon request)*.

- ☐ **Casualty or Theft Losses**. Personal casualty losses **are no longer deductible** unless attributable to a federally declared disaster.
- ☐ **Misc. Expenses not subject to 2% AGI**. These include gambling losses only to the extent of reportable gambling winnings; claims repayments (social security/unemployment repayments).

## Child Care Expenses

- ☐ Amount paid to childcare provider for parent to work or go to school.
- ☐ Provide the care provider's **name, address, and tax ID number (social security # or employer identification #).**
  - If more than one child, amount paid must be separated for each child.

## Other Deductions/Credits

- ☐ **Retirement Plans — 2023 limits:**
  - **IRA Contribution limits**: under age 50: $6,500; age 50 and over: $7,500. **
  - **SIMPLE Deferral limits**: under age 50: $15,500; age 50 and over: $19,000.
  - **401(k)/403(b) Deferral limits:** under age 50: $22,500; age 50 and over: $30,000
  - **SEP (self-employed) IRA limits:** 25% of net SE income after ½ SE deduction, not to exceed $66,000.
  - **Roth Contribution limits:** Same as Traditional IRA (total ROTH and traditional IRA contributions combined cannot exceed the lesser of the contribution limit or income earned – i.e. total ROTH and traditional IRA contributions combined cannot exceed $6,500 if under 50 years old). Roth contributions are subject to income phase-outs.

  ****IRA contributions are the lesser of actual compensation or the amounts listed above, and deductibility is subject to phase-out based on Modified Adjusted Gross Income. Contributions can be made up to April 15, 2024, for a 2023 tax year deduction.*

- ☐ **Alimony Paid -** Include the recipient's name and social security number. Please note that under new tax law, for divorce decrees/separation agreements executed after 2018, the amounts paid are no longer deductible and the amounts received are no longer reportable as income.
- ☐ **Long Term Care Premiums** paid during 2023. If married filing joint return, please specify which spouse owns the policy and amounts paid for each. If you do not meet the threshold to deduct medical expenses, you may be able to take advantage of the NYS long term care insurance credit. This credit is available to taxpayers with gross income less than $ 250,000.
- ☐ **Military -** Indicate if you are a member of the military or a reservist. Many of the tax provisions outlined in the checklist have special rules if members of the military.
- ☐ **Moving Expenses -** Moving due to a job change is no longer deductible under new law unless the taxpayer is a member of the Armed Forces on active duty.
- ☐ **Adoption -** Expenses up to $15,950 per child related to the adoption of a child are deductible. This is no longer a refundable credit, meaning you only receive the credit up to your tax liability unless it is a special-needs adoption. The credit does phase-out based on AGI.
- ☐ **Estimated/Quarterly Tax Payments -** Indicate date and amount paid to the IRS and to each respective state. Please note that payments made by January 15, 2024, are for the **2023** tax year and should be included.

☐ **Active Volunteer Firefighter or Ambulance Worker Credit (**NYS credit) - Provide the fire department's name and address.

☐ **Self-Employment Expenses** *(e.g., mileage, home office expenses, insurance, self-employed health insurance, rent, materials, supplies, etc.) (See Schedule C worksheet available on HFA website or upon request)*.

☐ **Health Care Savings Account —** indicate contribution and distribution amounts (1099-SA), and whether made by taxpayer or employer. Also, if distributions are made, indicate if they were made for qualified medical expenses. *(Over-the-counter medication is not a qualified medical expense unless specifically prescribed)*. HSA contributions can be made as late as April 15, 2024, for the 2023 tax year. The contribution (deduction) limits are:

- **Self-only coverage:** under age 55: $3,850; age 55 and older: $4,850
- **Family coverage:** under age 55: $7,750; age 55 and older: $8,750

☐ **Nursing Home Assessment Credit (**NYS credit) - Provide a copy of the nursing home bill showing the amount of the NYS assessment paid for the year.

## NYS Taxpayers

NYS has "decoupled" from the federal law meaning:

- NYS itemized deductions will not be subject to $10,000 cap on State and local taxes
- NYS will not limit HELOC and mortgage interest
- NYS allows 2% miscellaneous itemized deductions (unreimbursed employee business expenses; investment advisory fees; tax fees; job search costs, etc.)
- Alimony, regardless of when divorce signed, is deductible and reportable
- Moving expenses are still a deduction for job-related moves
- Medical expenses are subject to 10% of AGI vs. 7.5% for federal
- No 20% qualified business income deduction
- Dependent exemption ($1,000 per child)
- 529 plan payments for primary and secondary schools are not permitted on NYS returns (Distribution may trigger a recapture of the tax benefit on the NYS return)

## NYS Key Amounts

**2023 Standard Deductions:**

- Single or MFS: $ 8,700
- MFJ: $ 17,400
- HOH: $ 14,850
- Dependent Filers $ 3,100

**Dependent Exemptions:**

- $ 1,000 for each dependent

**Worksheets noted throughout this checklist can be found on our website, www.HighFallsAdvisors.com by selecting "Tax Tools" under the "Client Resources" tab or by calling our office at (585) 935-5300.**