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TAX FILING YEAR 2020
HELPFUL HINTS AND FREQUENTLY ASKED QUESTIONS

Helpful Hints:

Use your personalized Client Organizer Checklist. It will help ensure you have not missed anything. In addition, it is very helpful to our staff if your tax documents are provided in the same order as the Client Organizer Checklist.

Please note – we **DO NOT** accept cell phone photos or other image files as tax support documentation. Files must be in PDF format. If you have an I-phone, you can scan documents using the Notes App. <https://support.apple.com/en-us/HT210336>

Please make sure to tell us about:

Changes to your address, phone number(s) and/or email.

Marital status changes.

New dependent(s) or if a person was previously a dependent but is not any longer.

Job changes.

Please tell us the **amount of the stimulus check(s) you received** or provide us with **IRS Notice 1444 and 1444-B** that you should have received at the same time as your stimulus check(s). The government issued stimulus checks during 2020 based on your 2019 income tax return, or 2018 return for those who had not yet filed their 2019 tax return. **The calculation for the correct amount of the rebate will be part of your 2020 tax return.** If your 2020 tax return indicates a rebate larger than your stimulus check (because, for example, your income went down or you had another child), any additional amount can be claimed as a credit against your 2020 tax bill. Alternatively, if the 2020 rebate calculation shows an amount in excess of what you were entitled to, you do not have to repay that excess.

Please let us know if you **waived your 2020 Required Minimum Distribution (RMD)**. The CARES Act waives the required minimum distribution rules for 2020.

Have you taken a coronavirus-related distribution from a Retirement Plan? The 10% early withdrawal penalty for these distributions is waived and you have the option of recontributing the funds for up to three years after such distribution is made.

New for 2020, individuals who do not itemize may deduct up to \$300 for qualified “cash” (cash/check/credit card) contributions to charities. Gifts to individuals are not tax deductible.

Did you work from a state during 2020 that is not your home state? For example, if you are a MA resident but worked part of the year at your vacation home in RI. If yes, please provide us with the location and dates you worked somewhere other than your home state.

Did you collect **unemployment** during 2020? If so, be sure to include your Form 1099-G. The Dept. of Unemployment Assistance (DUA) will mail form 1099-G to you by January 31, 2021 or you can request it online at www.mass.gov

If you earned **investment income** (interest, dividends, tax-exempt interest and/or dividends, proceeds from sales of securities, etc.) during 2020, the information reported on **Consolidated Form 1099s and Form 1099-Bs** is especially vital in determining the correct amount of income and/or losses realized during the year. Please check your **Consolidated Form 1099s and Form 1099-Bs** for **missing cost basis** before submitting those forms to us. We cannot complete your returns without this data.

Did you refinance, sell or purchase real estate in 2020? If so, include **Closing Disclosure/Settlement Statement** for any of these transactions.

Were you a MA resident for all or part of the year? Be sure to include your proof of health insurance, **MA Form 1099-HC**. This form will be sent from your health insurance company(s) by January 31. There is information on the MA Form 1099-HC that we include on your tax return so MA does not assess a penalty for not having proper health insurance coverage.

Form 1099-HC is not required if you receive health insurance through Medicare.

Frequently Asked Questions

Q. When should I expect to receive my 2020 tax forms?

A. The most common deadline for businesses and financial institutions to provide tax forms to filers this year is **January 31**. Some of the more common tax forms you can expect to receive by that date are the following;

Form **W-2**, Form **1099-INT (not issued when interest income is less than \$10)**, Form **1099-DIV**, Form **1099-R (Retirement Plan Distributions)**, Form **1099-NEC (new this year for independent contractors receiving compensation for services)**, Form **1099-MISC**, Form **1098 (Mortgage Interest Paid)**, Form **1098-E (Student Loan Interest Paid)**, Form **1098-T (Tuition Paid, Scholarships Received)**, Form **1099-G (Government Payments including Unemployment and Tax Refunds)** and **MA Form 1099-HC**,

For data that requires more time to compile, the IRS gives financial institutions a **February 18** deadline to provide tax forms. The most common forms you can expect to receive by this date are **Consolidated 1099 and 1099-B** (sales of investments in brokerage accounts). It is common for financial institutions to need more time to provide you with the final amounts for the year. Please do not provide us with these forms if they include “Amounts are not Final” or some other indication that a subsequent tax form will be sent to you. We need the final version to prepare your tax returns accurately.

Q. Should I submit all of the receipts for out-of-pocket medical, dental, prescriptions, etc.?

A. Typically, no. Medical expenses are deductible IF your Itemized Deductions are greater than the Standard Deduction AND if medical expenses exceed 7.5% of your income. If you think you will benefit from deducting medical expenses, please provide us with a list that includes the type and amount of expenses instead of the receipts.

Q. I received a stimulus check(s), is it taxable? Will I have to pay it back?

A. No to both questions.

Q. Am I eligible for a third stimulus check of \$1,400 in 2021?

A. Income thresholds are the same as in 2020; Individuals with adjusted gross income below \$75,000 per year and married couples filing jointly with adjusted gross income under \$150,000. In addition, all dependents will qualify as opposed to only children under age 17.

Q. I worked from home most of the year due to COVID-19. Are any of my home expenses deductible? Can I claim a home office deduction?

A. No. The vast majority of W-2 employees cannot deduct unreimbursed employee expenses in 2020. The Tax Cut and Jobs Act (TCJA) eliminated unreimbursed employee expense deductions effective January 1, 2018.

Q. I submitted all of my tax support, how will I know when my returns are completed?

A. We will contact you to coordinate delivery as soon as your returns are completed and ready for you to review and sign.

Please refrain from contacting the office to check the status of your returns.

Q. For joint tax returns, do both taxpayers have to sign the e-File Authorization and Bank Verification Form?

A. Yes. IRS regulations require both taxpayer's signatures on these forms. In addition, for returns delivered via e-Signature, joint filers must separately access the tax return via a link sent to their respective email addresses.

Q. When will I get my refund(s)?

A. Your tax returns will be e-filed as soon as we receive the signed e-File Authorization forms and other required documents in addition to payment of your invoice. Typically, IRS direct deposit refunds are processed in 1-3 weeks while checks are mailed within a month. You can check the status of your refund through the IRS website <https://www.irs.gov/refunds>. MA refunds are processed quicker than the IRS. The MA DOR website <https://www.mass.gov> also has a tool to check the status of refunds.

IMPORTANT: The IRS recently announced they would begin processing tax returns on February 12 this year which is 3 weeks later than normal.