

Tax Year 2021 Helpful Hints

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

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.

The IRS will issue information letters to **Advance Child Tax Credit** recipients and recipients of the third round of **Economic Impact Payments** (aka stimulus). Hold on to those letters and submit them to us along with your other tax support documents.

Did you work from a state during 2021 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 2021? 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, 2022 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 2021, 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 2021? 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, 2022. There is information on the MA Form 1099-HC that we include on your tax return. MA does 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 2021 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**, 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 15** 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 Itemized Deductions are greater than the Standard Deduction AND if your 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. What information do I need from my childcare provider?

A. You must identify all persons or organizations that provided care for your child, dependent, or spouse. To identify the care provider, you must give the provider's name, address, and taxpayer identification number.

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. Employees cannot deduct unreimbursed employee expenses in 2021. However, if you are self-employed and worked from home during the year, tax deductions are available.

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

A. We will contact you to coordinate delivery as soon as your returns are complete and ready for you to review and signature. Please refrain from contacting the office to check the status of your returns. An administrative fee will apply in the event of multiple calls and emails to check status.