

# Tax Preparation Checklist

Updated for Tax Year: 2011

*Before you begin to prepare your income tax return, go through the following checklist. Not every category will apply to you, so just pick those that do, and make sure you have that information available. When you're ready to prepare your tax return using TurboTax software, you'll be surprised at how much time you'll save by organizing your information beforehand.*

## Before you start tax preparation:

Print this article. Check things off as you collect them. Scratch things off that don't apply. Enter information next to the item including amounts that are not already on other documents such as a form W-2.

If you use a program such as Quicken® to keep track of your finances, print a report of your transactions for the tax year (e.g. 2011). This will make your tax preparation much easier, and helps you clearly see where your money goes each year. Having this information in a report is much easier than going through your checks and bank statements for the entire year.

As you review the report, highlight information you will need to prepare your tax return or make notes to remind yourself of something later. If you need more information on a certain item, the report makes it easier to find the item on the computer when you need the detail. For example, if you know you paid check number 1077 to the IRS but don't know if it was for last year's balance due, an estimated payment for this year, or an extension payment, you can do a search for check number 1077 and get more details.

Now you're ready to start gathering the rest of your tax information. This income tax preparation checklist is designed to help you organize your tax information. As you receive or locate an item, check it off of the list.

## Personal information:

The IRS needs to know exactly who's filing and who is covered in your tax return. To do this, you will need Social Security numbers and dates of birth for you, your spouse, and your dependents:

## Information about your income:

- Income from jobs: forms W-2 for you and your spouse
- Investment income - various forms 1099 (-INT, -DIV, -B, etc.), K-1s, stock option information
- Income from state and local income tax refunds and/or unemployment: forms 1099-G
- Alimony received
- Business or farming income - profit/loss statement, capital equipment information
- If you use your home for business - home size, office size, home expenses, office expenses.



- IRA/pension distributions - forms 1099-R, 8606
- Rental property income/expense - profit/Loss statement, rental property suspended loss information
- Social Security benefits - forms SSA-1099
- Income from sales of property - original cost and cost of improvements, escrow closing statement, cancelled debt information (form 1099-C)
- Prior year installment sale information - forms 6252, principal and Interest collected during the year, SSN and address of payer
- Other miscellaneous income - jury duty, gambling winnings, Medical Savings Account (MSA), scholarships, etc.

### **Adjustments to your income:**

The following can help reduce the amount of your income that is taxed, which can increase your tax refund or lower the amount you owe.

- IRA contributions
- Energy credits
- Student loan interest
- Medical Savings Account (MSA) contributions
- Moving expenses
- Self-employed health insurance payments
- Keogh, SEP, SIMPLE and other self-employed pension plans
- Alimony paid
- Educator expenses

### **Itemized tax deductions and credits:**

The government offers a number of deductions and credits to help lower the tax burden on individuals, which means more money in your pocket. You'll need the following documentation to make sure you get all the deductions and credits you deserve.

- Advance Child Tax Credit payment
- Child care costs - provider's name, address, tax id, and amount paid
- Education costs - forms 1098-T, education expenses
- Adoption costs - SSN of child, legal, medical, and transportation costs
- Home mortgage interest and points you paid - Forms 1098
- Investment interest expense
- Charitable donations - cash amounts and value of donated property, miles driven, and out-of-pocket expenses
- Casualty and theft losses - amount of damage, insurance reimbursements
- Other miscellaneous tax deductions - union dues, unreimbursed employee expenses (uniforms, supplies, seminars, continuing education, publications, travel, etc.)
- Medical and dental expenses





## Taxes you've paid:

Properly documenting the taxes you've already paid can keep you from overpaying.

- State and local income taxes paid
- Real estate taxes paid
- Personal property taxes - vehicle license fee based on value

## Other information:

- Estimated tax payment made during the year, prior year refund applied to current year, and any amount paid with an extension to file.
- Direct deposit information - routing and account numbers
- Foreign bank account information - location, name of bank, account number, peak value of account during the year

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