VERY IMPORTANT TAX LETTER – PLEASE READ
INFORMATION FOR TAX YEAR 2020:

- Our office building will continue to be closed to clients. We have installed an intercom system if you need to communicate with staff from outside the door, or you can call or email us with questions.
- You may mail or email your tax information to us or there is a locked drop box where you will deposit your tax information. This drop box is under surveillance 24/7.
- ***Most*** of you will have received ***TWO*** stimulus checks for the year 2020: One in March/April and one in December/January 2021. We need to know the exact amounts you received, even if it was zero, because you could be entitled to more stimulus money. You ***MUST*** provide us with both of the amounts you received. We ***WILL NOT*** start the preparation of your taxes without this information. (See more detailed information in attached letter.)
- Office in home deduction – If you are an **employee** and were forced to work from home during the pandemic and beyond, there are ***NO*** Federal tax benefits. This deduction was eliminated in 2017.
  *Self employed persons are still entitled to the office in home deductions, if it applies to you.

DERRICK HAMM
INCOME TAX PREPARATION SERVICES, INC.
3497 INDUSTRIAL DRIVE
YORK, PA 17402

January 2021

Dear Valued Tax Client,

Happy New Year! We hope you and your families had a fun, safe, and healthy holiday season. While 2020 had many unexpected twists and turns, we believe we learned a lot and have come far as a country and community. Nonetheless, we're hopeful that 2021 will bring better times.

Below is a lot of information which will allow us to prepare your taxes in an accurate, timely, and safe manner. Thank you for reading this important information in its entirety.

1. **Stimulus payment from early/mid 2020 and late 2020/early 2021**
   If you received an amount from the government mid-year and/or just recently, we *MUST* know the amount you received to start the preparation of your taxes. The stimulus you received is *not* taxable – in essence, it was a gift.
   You can find this amount in a couple of places:
   – You should have received Notice/Form 1444 and 1444-B in the mail some time after you received your stimulus. Please include this form with your tax information.
   – You can look back at your bank statements to see what amount was deposited.
   *If you give us the incorrect amount, your taxes will be prepared incorrectly and you may not receive the refund or stimulus you are due.
2. **Unemployment**
   If you were one of the many millions of unemployed workers, you will receive Form 1099-G which will show the amount you received. This amount is taxable on your Federal tax return. While most people will have had taxes withheld, your tax return will determine if it was enough.
   *While Pennsylvania does not tax unemployment, other states may.
3. **PPP Loans**
   If you received any money from the IRS, in any type of PPP loan or EIDL benefit, you need to tell us. The amount is *not* taxable but still needs to go on your tax return.
4. **Office in home deduction**
   No Federal tax benefits unless you are self-employed.
5. **Charitable contributions**
   Charitable contributions are usually a benefit *only* if you itemize your deductions. However, in 2020, if you gave to charity, the IRS is allowing up to a $300 deduction for everyone. Please include your contribution receipts with your tax information.

Last year, once the pandemic started, we covered the postage fee for everyone's taxes to be mailed back to limit possible exposure to the virus. This year, all completed taxes will be mailed back to you by priority mail. You will see a nominal fee added to your tax preparation fee to help cover the postage. Inside your envelope, you will also find instructions on what you need to do to get your taxes filed.
*We understand this is unlike any other process we have used in the past, but we feel this is the best way to safely conduct business at this time. Be assured we are always available to answer any questions.

There is no denying these have been challenging times for all of us. We appreciate your cooperation as we get through this together. We'd also like to extend a heartfelt thank you for entrusting your tax preparation to us.

Wishing you a safe, healthy, and better 2021.

Sincerely,
Derrick, Christina, Emily, and Denise

DERRICK HAMM **TAX PREPARER**
PHONE: 717-840-0749 FAX: 717-840-0754

2020 Tax Questionnaire ❑ New Client Referred by:_______________________________

*(Please fill out **both sides** of questionnaire and bring it in with your tax documents)*

How much was your stimulus payment? (If $0, please put $0)

1st Amount $___________ 2nd Amount $___________

Taxpayer Name: ____**SSN:** ____________________

Occupation:____**DOB:**____________________

Preferred method of contact: Phone ❑ Email ❑

Email:____ **Phone:**_______________________________________

Driver's License #: ___________________________ **Issue Date:** _______________ **Exp. Date** _______________

Did you add money to an ❑ **IRA** or ❑ **Roth IRA** **(not including work-related 401k)?** ❑ Yes ❑ No Amount $_________

If you attended college in 2020, did your employer reimburse you for any expenses? If so, how much? ______________

Covered by health insurance through **The Marketplace/Obamacare** during 2020? ❑ Yes ❑ No **- If YES please include Form 1095-A**

Do you work in York City? ❑ Yes ❑ No If unsure, please provide work address_________________________________

Spouse's Name: ____**SSN:** ____________________

Occupation:____**DOB:**____________________

Preferred method of contact: Phone ❑ Email ❑

Email:____ **Phone:**_______________________________________

Driver's License #: ___________________________ **Issue Date:** _______________ **Exp. Date** _______________

Did you add money to an ❑ **IRA or** ❑ **Roth IRA** **(not including work-related 401k)?** ❑ Yes ❑ No Amount $_________

If you attended college in 2020, did your employer reimburse you for any expenses? If so, how much? ______________

Covered by health insurance through **The Marketplace/Obamacare** during 2020? ❑ Yes ❑ No **- If YES please include Form 1095-A**

Do you work in York City? ❑ Yes ❑ No If unsure, please provide work address_________________________________

Address: ____

Did you move in 2020? ❑ Yes ❑ No When? ____________❑ Buy ❑ Sell *(Settlement sheets needed for purchase and sale)*

Current Twp/Boro _______________________________ School district _______________________________________

Previous Twp/Boro ______________________________ School district _______________________________________

Please attach a voided check if your banking info has changed.

Refund:

❑ Mail check ❑ Direct Deposit (same as last year) ❑ Direct Deposit **(attach voided check)**

Dependents – please put dependent information on next page.

*(**Returning clients, please list only new dependents**__**. If you are no longer claiming a dependent, please write their name in the Notes section below;**__ new clients, please list all dependents. If your child attended college in 2020, please provide their 1098-T and all non-tuition expenses.)*

1. **Name** ____ DOB: __________ SSN: _________________

   College student? ❑ Yes ❑ No Amount of any out-of-pocket non-tuition expenses: __________________

   Relationship ________________

2. **Name** ____ DOB: __________ SSN: _________________

   College student? ❑ Yes ❑ No Amount of any out-of-pocket non-tuition expenses: __________________

   Relationship ________________

3. **Name** ____ DOB: __________ SSN: _________________

   College student? ❑ Yes ❑ No Amount of any out-of-pocket non-tuition expenses: __________________

   Relationship ________________

4. **Name** ____ DOB: __________ SSN: _________________

   College student? ❑ Yes ❑ No Amount of any out-of-pocket non-tuition expenses: __________________

   Relationship ________________

5. **Name** ____ DOB: __________ SSN: _________________

   College student? ❑ Yes ❑ No Amount of any out-of-pocket non-tuition expenses: __________________

   Relationship ________________

Notes – Please put any additional tax-related information, including dependents you NO LONGER claim, here:

2020 TAX CHECKLIST

Here is a checklist of what we need to prepare your 2020 tax returns in a timely manner. Use this checklist as your personal guide to compiling your tax documents. It can save you time and remind you which tax documents you've gathered throughout the year. If you have a form that is not listed below, feel free to include that as well. Please call with any questions. Thank you.

New Items / Commonly Overlooked Items

__ **2020 Tax Questionnaire:** Please fill out the entire Questionnaire to the best of your ability and include it with your tax information when you drop it off at my office. ***We cannot prepare your taxes without this form.***

__ **Notice/Form 1444 and Notice/Form 1444-B,** which has your stimulus amount

__ **Affordable Care Act (ACA):** If you received healthcare coverage from The Marketplace, aka Obamacare, we will need your **Form 1095-A**.

__ **Driver's License Number with Issue Date & Expiration Date.** To combat/eliminate fraud, the IRS is now requiring us to obtain this info when preparing your taxes. ***We must have this info to file your tax return.***

__ **Refunds:** Also to combat fraud, for certain taxpayers, the IRS is delaying sending out refunds. This may or may not apply to you. After we e-file your taxes, you can go to **www.irs.gov** to track your refund.

Personal Data

__ Dates of birth (including spouse and children) and Social Security #s – unless on file from previous year

__ **A voided check if you would like your refund directly deposited into your account (unless info is the same as last year)**

__ PREPRINTED LOCAL TAX RETURN FORM, IF APPLICABLE (for PA residents only)

Employment and Income Data

__ W-2 forms for this year from **ALL** employers

__ Pensions and annuities: Form 1099-R

__ Retirement plan distribution: Form 1099-R

__ Social Security Statement: SSA-1099

__ Partnership and trust income: Form K-1

__ Gambling and lottery winnings: Form W2-G

__ Tax refunds: Form 1099-G

__ Unemployment compensation: Form 1099-G

__ Other

Homeowner/Renter Data

__ Residential address(es) for this year (including school district and township or borough)

__ Mortgage interest: Form 1098 (1st & 2nd mortgages, lines of credit, etc.)

__ **Real estate taxes paid** (include receipts if taxes are not escrowed)

__ **Settlement sheet if bought home OR refinanced in the past year (Also called HUD-1 or Closing Disclosure)**

Financial Assets

__ Interest income statements: Form 1099-INT

__ Dividend income statements: Form 1099-DIV (our office **DOES NOT** receive this information from Invesco, etc.)

__ Proceeds from broker transactions: Form 1099-B (including cost basis information)

Financial Liabilities

__ Student loan interest paid: Form 1098-E

Expenses

__ Gifts to charity (receipts for any single donations of $250 or more)

__ **Education expenses (tuition and other expenses, student's grade, scholarship information), etc.: Form 1098-T**

__ Childcare expenses (include provider ID or Social Security number and address)

__ Health Savings Accounts (HSA info), 1099-SA, and 5498-SA

__ Teaching expenses (if your occupation is "teacher")

Self-employment Data

__ 1099-Misc's and K-1's on all partnerships and other businesses

__ Documentation for business-related expenses including mileage if applicable

Deduction Documents

__ **IRA, Roth IRA and other retirement plan contributions**

__ Medical expenses and mileage **(if substantial)**

__ 529 Plan contributions (PA residents only)

Other

__ **Any form you are unsure of**

__ **Any piece of mail labeled "Important Tax Information"**

__ **Form 1095-A (If applicable) (see above)**

__ **Driver's License info (see above)**

__ **IRS IP PIN, if applicable**

__ **Notice/Form 1444, which has your stimulus amount**