



FISHER CONSULTING SERVICES 2022 Tax Guide

Tax News for filing your 2021 taxes

The filing season begins on January 24th this year.

Stimulus payments are not taxable! If you received a 3rd round EIP3 payment and your adjusted gross income in 2021 is less than it was in 2020 or 2019 (whichever year was used to figure the payment), you may be eligible for a recovery rebate credit.

Unemployment benefits received in 2021 are fully taxable. There is no exclusion.

Distributions from qualified retirement plans and IRAs, which were waived for 2020, must commence for 2021. **Covid-19 distributions may be repaid within 3 years, so a repayment in 2021 means filing an amended return to recoup taxes paid on the 2020 distributions!**

Charitable contributions may be deducted if you are not itemizing! The limit for married filing joint filers on your federal return is **\$600, \$300** for single, or married filing separately.

For 2021, the child tax credit is up to \$3,600 for a child from birth to under age 6 and up to \$3,000 for a child age 6 to under age 18; it is fully refundable.

Advanced child tax credit payments received between July through December 2021 must be deducted!

For 2021, the child and dependent care credit is greatly increased and fully refundable! Qualifying expenses taken into account in figuring the credit are \$8,000 for one qualifying individual and \$16,000 for two or more qualifying individuals. There is a 2-tier phaseout of the credit based on income, with high-income individuals ineligible for any credit. The exclusion for dependent care under an employer's dependent care assistance is \$10,500.

The annual gift tax exclusion remains at \$15,000 per donee for 2021 gifts of cash or present interests. The basic exemption amount for 2021 gift tax and estate tax purposes increases to \$11,700,000.

Standard Deductions are as follows:

<u>Filing Status</u>	<u>Deduction</u>
Single	\$12,550
Head of Household	\$18,800
Married/Joint	\$25,100
Married/Separate	\$12,550

Tax Brackets for 2021 are:

- 10% - Single income to \$9,950
 - Head of household up to \$14,200
 - Married filing jointly up to \$19,900
- 12%-Single income \$9,951 to \$40,525
 - Head of household \$14,201 to \$54,200
 - Married Filing Jointly \$19,901 to \$81,050
- 22%-Single income \$40,526 to \$86,375
 - Head of household \$54,201 to \$86,350
 - Married Filing Jointly \$81,051 to \$172,750
- 24%-Single income \$86,376 to \$164,925
 - Head of household \$86,351 to \$164,900
 - Married Filing Jointly \$172,751 to \$329,850
- 32%-Single income \$164,926 to \$209,425
 - Head of household \$164,901 to \$209,400
 - Married Filing Jointly \$329,851 to \$418,850
- 35%-Single income \$209,426 to \$523,600
 - Head of Household \$209,401 to \$523,600
 - Married Filing Jointly \$418,851 to \$628,300
- 37%-Single Income \$523,601 or more
 - Head of Household \$523,601 or more
 - Married Filing Jointly \$628,301 or more

THIS CHECKLIST MAY BE USED TO SAVE YOU TIME AND REMIND YOU WHICH TAX FORMS YOU’VE RECEIVED DURING THE YEAR AND MAY BE USED DURING YOUR TAX PREPARATION:

EMPLOYMENT & INCOME DATA:

- _____ W-2 forms
- _____ Unemployment compensation: Form 1099-G
- _____ Miscellaneous income including rent: Forms 1099-MISC/1099-NEC
- _____ Partnership, S Corporation, & trust income:
 - Schedule K-1
- _____ Pensions and annuities: Forms 1099-R
- _____ Social Security/RR1 benefits: Form RRB-1099
- _____ Alimony received
- _____ Jury duty pay
- _____ Gambling and lottery winning (W2-G)
- _____ Prizes and awards
- _____ Scholarships and fellowships
- _____ State and local income tax refunds: Form

1099-G (new clients only)

HOMEOWNER DATA:

- _____ Mortgage interest: Form 1098
- _____ Sale of your home or other real estate: Form 1099-S/or B
- _____ Second mortgage interest paid
- _____ Real estate taxes paid

FINANCIAL ASSETS:

- _____ Interest income statements: Form 1099-INT
- _____ Dividend income statements: Form 1099-DIV
- _____ Proceeds from broker transactions: Form 1099-B
- _____ Retirement plan distribution: Form 1099R

FINANCIAL LIABILITIES:

- _____ Student loan interest paid
- _____ Early withdrawal penalties on CDs and other time deposits

AUTOMOBILES:

- _____ Registration
- _____ Vehicle Purchased in 2021, sales tax

EXPENSES:

- _____ Medical Insurance, medical expenses & mileage
- _____ Gifts to charity, charitable mileage
- _____ Child care expenses
- _____ Adoption expenses
- _____ Alimony paid
- _____ 1098-T for college tuition paid
- _____ College expenditures

SELF-EMPLOYMENT DATA:

- _____ Business income: Form 1099-NEC and/or own records (Profit & Loss statement)
- _____ Partnership SE income: Schedule K-1
- _____ Business-related expenses: Receipts for Unreimbursed expenses; mileage for vehicle
- _____ Employment taxes & other business taxes
- _____ Starting/ending mileage if used in business
- _____ Gas, parking, repair, insurance expenses if used in business

MISCELLANEOUS TAX DOCUMENTS:

_____ Federal, state, & local estimated income tax payments made for 2021

_____ IRA, Keough and other retirement plan contributions

IF YOU HAVE ANY QUESTIONS REGARDING WHAT IS DEDUCTIBLE OR WHAT IS REPORTABLE INCOME, PLEASE CALL ME!

*****LAST MINUTE REMINDERS*****

Here is a list of items that most people forget:

1. Vehicle registration
2. Print-out of medical expenses from your pharmacy/doctor/dentist, etc. 3. 1099/W2-G from casino winnings!!!
4. Interest paid on home-equity lines of credit
5. Mileage for medical miles as well as charitable service miles
6. Interest earned from savings/investments
7. School tax credit forms/addresses

*****NEW CLIENTS SHOULD HAVE THE FOLLOWING READY FOR REVIEW:**

1. Photo identification/driver’s license, etc. Valid Social Security cards for the taxpayer, spouse and dependents
2. Birth dates for primary, secondary and dependents on the tax return
3. Wage and earning statement(s) Form W-2, W-2G, 1099-R, from all employers
4. Interest and dividend statements from banks (Forms 1099)
5. A copy of last year’s federal and state returns, if available (2020)
6. Bank routing numbers and account numbers for direct deposit
7. Other relevant information about income and expenses
8. Total paid for day care

9. Day care provider's identifying number, address, and phone number

FEE SCHEDULE FOR NEW CLIENTS ONLY!:

1040 (no schedules).....	\$75.00
1040 (w/Schedules but not itemizing).....	\$125.00
1040 (w/Schedules including itemizing)....	\$200.00
1040 (w/Schedules for self-employment, or rentals).....	\$300.00
(\$50/each additional Schedule C schedule)	
1065 (Partnership returns).....	\$500.00
1120/1120S (Business returns).....	\$500.00
Separate State Return.....	\$75.00
Amended Returns.....	\$75.00/up

**** These fees apply to new clients only. **Payment is expected at the time of service, and you can now pay by cash, check, debit, or credit card. If you are emailing/ mailing your information to me, payment must be made before the return is submitted to the IRS.******

To schedule your in-home or Zoom appointment at your convenience, call 480-242-8641, or email me at cindy85296@gmail.com.

EARN-A-RETURN is still and will always remain in effect. Each referral will earn you \$20.00 along with a personal “thanks”. If you prefer to apply your referral to your tax return payment, let me know! A lot of you haven’t cashed the checks I sent out to you.