

2021 Tax Season Newsletter

Happy 2021! What a year this has been for everyone, including the extended tax season and 7 major Tax Law bills! We hope you have come to the other of side 2020 safe and healthy and soon to be thriving again.

It is time to get ready for Tax Season – **Please read the entire newsletter and ALL the applicable attachments.** There is so much information to cover, and all of it is important to reduce your tax liability and improve how quickly and accurately we can process your information and get your tax returns completed and filed.

➤ **I am pleased to introduce (and reintroduce) my 2021 Tax Season staff:**

- **Maggie** is in the VA office. She is amazing at helping with any of the technology that we are using this year. She handles phone calls, emails, and getting your tax file ready for the processor. She will reach out to you if we do not have current ID documents for you and your dependents (Driver's License and SS cards). **See attached Security/PII Information Sheet.**
- **Jen** is working remotely out of FL. She mostly works evenings and weekends. She will also be handling phone calls and emails, as well as downloading tax source documents, and responding to your answers in the Interview Worksheet.
- **Jenni** is working remotely in northern CA. She will be assisting with data entry and reconciliation for several QuickBooks clients.
- **Stephen** is the new Processor in our office. He has his Annual Filing Season Program (AFSP) certificate, only given to those who have been able to pass a really hard test for preparing personal tax returns! He will be helping me with the initial data entry of tax information and will be reaching out to you if it looks like there are documents or details missing for finishing the return. I will be the one completing and reviewing all tax returns, and with Stephen's help I am optimistic the process will be smoother.
- **Bailey** is new to our office. She is a student who is helping Maggie with some of the VA office procedures.
- When calling our office (757-528-4848), if we are not able to answer the phone, please leave a voice message with your phone number and available times to reach you. With Jen's late and weekend hours, we may be able to return your call outside of regular East Coast office hours..... but ONLY if you leave a message.

➤ **Travel Schedule** – Due to the on-going COVID pandemic and current travel restrictions in the European Union, I do not plan to travel to the US during this tax season. I have the capability to conduct video and/or phone calls at no charge to my clients. If I have questions while preparing your return, I will have Jen/Maggie reach out to you to schedule an appointment. If there is an unusual tax situation for 2020 that you want to discuss, please reach out to the office to get on the schedule. All 2021 tax planning calls/meetings will be deferred until after Apr. I hope world health is greatly improved by 2022 and that I will be able to resume tax season travels next season.

➤ **How to send us your information**

- **Taxaroo** – We are transitioning to a new, better Client Management platform this year. To ease the transition for our clients, we are not yet closing the other technology we have used in the past. **Please read the attached document for more information about Taxaroo.**
- **Sharefile** – This is a secure portal also used for uploading your tax season documents.

- **Verifyle** – This is the secure platform we use to communicate by email. It allows us to keep all tax-related email threads in a separate folder for each tax year, which is a much more efficient to keep track of the tax emails. Verifyle can also be used for securely sending tax documents, but the preferred method will be Taxaroo or Sharefile. If you did not activate your Verifyle account last year, I will be resending you the invite.
 - **US Mail** – If you choose to mail us your documentation, please use some sort of tracking and send it to: 11832 Fishing Point Drive Suite 400 Newport News VA 23606. Maggie/Bailey will send you a Verifyle message letting you know when your information has safely arrived.
 - **Email** – please do not email your documents to us. It is not a secure way to send your documentation and opens you to the risk of Identity Theft.
- **Additional Tax issues for 2020** – The IRS continues to ramp up Due Diligence requirements on tax preparers. Failure to satisfy these requirements can result in steep fines and loss of credential. I have created Due Diligence forms for you to read and sign if you are claiming any of these related credits. Jen/Maggie will be sending these out based on your responses to your Interview. Your file is not complete and will not be sent to the Processor until these signed forms have been received.
- **Virtual Currency** (aka cryptocurrency) – If you owned any virtual currency at any time in 2020, we will send you the **Due Diligence Form for Virtual Currency** to read and sign.
 - If you are a signer on any **foreign bank accounts**, we will send you the **Due Diligence Form for Foreign Bank Account**.
 - If you had any **Education Expenses** for college, we will send you the **Due Diligence Form for Education Expenses**.
 - If you are claiming **dependents** on your tax return, we will send you the **Due Diligence Form for Claiming Dependents**.
 - If you are/were **Active-Duty military** in 2020, we will send you a **Military Worksheet**.
 - If you have income and expenses from a **Rental**, we will send you the **Rental Worksheet**.
 - **Economic Impact Payments (EIP)**, aka Stimulus payments – Please report the amounts received for the 1st and 2nd EIP payments. You received Form 1444 reporting the amount received in the first round and Form 1444-B (by the end of Jan?) for the amount received in the second round. You can upload the forms, use the EIP look-up tool (part of IRS Secure Access), or you can check your bank account to confirm the amounts received. If you are unable to determine/remember how much you received, I will have to assume you received the maximum. **Please read the 2020 Tax Law Changes Newsletter for more information about EIP. Please read Security/PII/e-Signatures for more information on how to access the look-up tool.**
 - **2019 Tax Refunds** – If your tax return was filed after 15 Apr 2020 and you received a refund, the IRS paid you interest on the refund. Please send us the 1099INT from the US Treasury that you will receive by the end of Jan.
 - **CA Healthcare Mandate** – New requirement, beginning in 2020: if you reside in CA you will need to provide proof of your Minimum Essential Coverage for Health Care, otherwise you may be subject to the Shared Responsibility Penalty.
- **Tax Law Changes** – there were 7 major Tax Law Acts that affected changes in the tax code for this year. **PLEASE read the 2020 Tax Law Changes Newsletter.**