

CHECKLIST OF ITEMS THAT MAY AFFECT YOUR 2017 TAX RETURN

2017 Tax Year

- Key individual return provisions that **EXPIRED** in 2017:
 - Exclusion of cancelled qualified principal residence mortgage debt
 - Non-Business residential energy credits (except solar)
 - Above-the-line deduction for tuition and fees
 - Itemized deduction for mortgage insurance premiums

- Key 2017 individual return provisions **CHANGED** with new tax law (Tax Cuts & Jobs Act):
 - Medical expense deduction floor is 7.5% (from 10%) of AGI for all taxpayers regardless of age
 - Taxpayers cannot claim itemized deduction for pre-paid **2018 income tax** but can claim pre-paid **2018 property tax**, provided the property tax was assessed prior to 2018 and payment was made in 2017
 - Personal and casualty loss limitations not subject to 10% AGI threshold or requirement to itemize if loss related to a presidential declared major disaster

- A Note about the Tax Cuts and Jobs Act:**
 - Except as noted above, you will not see changes to your 2017 tax returns due to the new tax law.
 - You may already be seeing changes to your paychecks as the withholding tables have been updated to reflect the new tax tables. Since the new tax law brings one of the most substantial overhauls of the tax code, our tax department will be studying the new law and providing insights as to the changes on our website and through email. Individual tax planning and projections as it relates to the new law can be done by appointment by contacting our tax department or your advisor.

2017 Amounts

- 2017 Standard Mileage Rates:**
 - Business: \$ 0.535/mile
 - Medical & Moving: \$ 0.17/mile
 - Charitable: \$ 0.14/mile

- 2017 Standard Deductions:**
 - Single or MFS: \$ 6,350.00
 - MFJ or QW: \$ 12,700.00
 - HOH: \$ 9,350.00
 - If blind or age 65 or older, additional deduction per event:
 - MFS, MFJ or QW: \$ 1,250.00
 - Single or HOH: \$ 1,550.00

- Personal Exemption:** \$ 4,050.00

Personal Data/Helpful Information

- Birth dates** of taxpayers *(if new client)*.

- Copy of last year's return *(if new client)*.
- Name, social security number and dates of birth for **new dependents**.
- For NYS returns, include a readable copy of the front and back of your **NYS Driver License** or **NYS non-Driver ID**.
- Changes to **marital status** or **address** during 2017.
- Permanent or total **disability** or **blindness** for taxpayer or spouse.
- Copy of any notices received from IRS or State.
- Direct Deposit of Refunds:** account #, routing #, bank name, checking or savings *(please attach a voided check for checking accounts or a deposit ticket for savings account)*.
- Expected **substantial change** in income, deductions, or dependents for 2018.
- Indicate for each individual listed on your tax return the months in 2017 they had **health insurance**.

Income

- Income from employer — **W-2s**.
- Interest — **1099-INT**.
- Dividends — **1099-DIV**.
- Sale of Securities — **1099-B** *(see Stocks/Mutual Fund sales below)*.
- Annuities, pension, IRA, retirement plan withdrawals — **1099-R**.
- State tax refund — **1099-G** *(if we did your tax last year, we have that data)*.
- Unemployment compensation — **1099-G** **(NYS does not mail these anymore — if you had unemployment, you will need to get the form online)**.
- Social Security income — **SSA-1099**.
- Commissions/Fees/Non-Employee Income — **1099-MISC**.
- Merchant Card/Third Party Network Payments — **1099-K** *(no place to report as of yet, but important for tax preparer to examine)*.
- Proceeds from sale of real estate — **1099-S** *(see Real Estate below)*.
- Education Savings Account or 529 Plan Withdrawals — **1099-Q**.
- Health Savings Account Withdrawals — **1099-SA**.
- Cancellation of Debt — **1099-A** or **1099-C**.
- Income from partnerships, trusts, estates, or S-Corps — **K-1**.
- Gambling or Lottery winnings — **W-2G**.
- Tip income not reported by your employer.
- Self-employment income *(see Schedule C worksheet)*.
- Jury duty pay.
- Rental Real Estate income or Royalty income *(see Schedule E worksheet)*.
- Other income not reported above.

Health Care Coverage Forms

- Indicate each month you, your spouse and all dependents were NOT covered by health insurance.
- 1095-A** — for health insurance coverage in the marketplace. If you had coverage through the marketplace, you must provide a copy of the form. You may have to contact the exchange to get a copy.
- 1095-B** — for private health insurance coverage. *(provide, if received)*
- 1095-C**--for employer-provided (or offered) health insurance coverage. *(provide, if received)*

Stocks/Mutual Fund Sales — required information

- Date security was purchased *(usually obtainable from broker or on 1099-B)*.
- Purchase price *(cost-basis) (usually obtainable from broker or on 1099-B)*.

Real Property

- Sales or purchases of real property in 2017, provide **Closing Statement/Disclosure**.
- For purchases of principal residence any time from April 9, 2008 to Dec 31, 2008 with the **first-time homebuyer credit**, you will continue to make your \$ 500.00 repayment (“recapture”) of this credit on your 2017 tax return. The credit is paid back over 15 years, and is interest-free. If the home is sold or is no longer your principal residence, the entire credit is recaptured in that year, not to exceed the gain, if any, on the sale.
- Rental real estate**, provide rental income and expenses *(see Schedule E worksheet)*.
- Real estate taxes** for principal residence and other real property *(vacation homes, vacant land)*.
- Mortgage interest or points** paid. *(Usually reported on 1098)*.

Education — Teachers and Students

- Teachers/Educators** — provide out-of-pocket classroom costs.
- Student Loan Interest** paid *(reported on 1098-E) (Please note that these are usually available online and are not typically mailed)*
- College Tuition/Expenses** for taxpayers and/or dependents. Please provide the **year of school** (i.e. freshman, graduate school, etc.) and the **1098-T**. This will be in the name of the student, but if the student is a dependent, it should be included with the parent/guardian return. If available, in addition to 1098-T, also provide a transcript/receipt from school showing tuition paid. **Please note that we must have a copy of the 1098-T in order to take the credit this year. If you did not receive the form, you may want to contact the school.**
- Interest on Savings Bonds** redeemed by a taxpayer in order to pay for qualified education expenses may be excluded from income.
- 529 Plan Contributions** *(up to \$10,000.00 for MFJ)* **are deductible** on **NYS** returns, provided the contribution is to a **NYS 529 plan**. Please provide the statement showing the contribution so we can determine if it is deductible.
- Education Savings Account** or **529 Plan Withdrawals** *(usually reported on 1099-Q)*.

Itemized Deductions (used if higher than standard deduction):

- Medical/Dental Expenses**, including health insurance, long-term care insurance premiums paid, medical mileage, co-pays to doctors, etc. Medical and Dental expenses are deductible to the extent they exceed **7.5%** of adjusted gross income. (See *Medical Expense Worksheet*).
- State Income Tax Paid or Sales Tax**, whichever is greater (for sales tax, you do not have to provide receipts or actual amounts unless you made significant/large purchases (i.e. cars, boats)).
- Property Taxes** paid on residence and/or other real estate. If your property tax for 2018 was assessed prior to 2018 and you paid it in 2017, please note that when you provide your data.
- Mortgage Interest** and/or points (Form **1098**).
- Charitable Contributions** and/or mileage. For cash donations, you must retain for your records the bank record, credit card statement or written communication from the charity. For non-cash items, provide date of contributions, items contributed, and charitable organization name and address. (See *Charitable Expense Worksheet*).
- Casualty or Theft Losses**. Deductible to the extent it exceeds 10% of adjusted gross income unless related to a declared Major Disaster Area in which case the loss is not subject to the 10% threshold and the taxpayer can deduct even if they don't itemize.
- Misc. Expenses**. These include unreimbursed employee business expenses; tax preparation fees; attorney fees if tax related; investment expenses (i.e. investment advisor fees, publications); job search costs; safe deposit rental fees; union dues; uniforms, etc. These expenses are deductible to the extent **they exceed 2%** of adjusted gross income.

Child Care Expenses

- Amount paid to childcare provider in order for parent to work or go to school
- Provide care provider's **name, address and tax ID number**
 - If more than one child, amount paid must be separated for each child

Other Deductions/Credits

- Retirement Plans — 2017 limits:**
 - **IRA Contribution limits:** under age 50: \$5,500; age 50 and over: \$6,500.*
 - **SIMPLE Deferral limits:** under age 50: \$12,500; age 50 and over: \$15,500.
 - **401(k)/403(b) Deferral limits:** under age 50: \$18,000; age 50 and over: \$24,000
 - **SEP (self employed) IRA limits:** 20% of net SE income after ½ SE deduction, not to exceed \$54,000.00.

**IRA contribution is the lesser of actual compensation or the amounts above and deductibility is subject to phase-outs for Modified Adjusted Gross Income if covered by an employer retirement plan. Contribution can be made up to April 17, 2018 for 2017 tax year deduction.*
- Alimony Paid** include recipient's name and social security number.
- Long Term Care Premiums** paid during 2017. If married filing joint return, please specify which spouse owns the policy and how much paid for each. If you do not meet the threshold to deduct medical expenses, you may be able to take advantage of the NYS long term care insurance credit.

- Military.** Indicate if you are a member of the military or a reservist. Many of the tax provisions outlined in the checklist have special rules if member of the military.
- Moving Expenses** for moving due to job change. Provide date of move, mileage from old home to new job; mileage from old home to old job. Please note that the cost of meals while traveling, temporary living expenses and/or house hunting costs before the move are not deductible. Travel expenses are limited to one trip per person.
- Adoption.** Expenses up to \$13,570 per child, associated with the adoption of a child. This is no longer a refundable credit meaning you only receive the credit up to your tax liability.
- Estimated/Quarterly Tax Payments** indicate date and amount paid for federal and state. Please note that payments made by January 16, **2018** are for the **2017** tax year and should be included.
- Active Volunteer Firefighter or Ambulance Worker Credit** — A NYS credit. Provide fire department name and address.
- Self-Employment Expenses** (e.g. mileage, home office expenses, insurance, self-employed health insurance, rent, materials, supplies, etc) (See Schedule C worksheet).
- Health Care Savings Account** — indicate contribution and distribution amounts (1099-SA), and whether made by taxpayer or employer. Also, if distributions are made, indicate if they were made for qualified medical expenses. (*Over-the-counter medication is not a qualified medical expense unless specifically prescribed*). HSA contributions can be made as late as April 18, 2018 and count for tax year 2017. The contribution (deduction) limits are:
 - **Self-only coverage:** under age 55: \$3,400; age 55 and older: \$ 4,400
 - **Family coverage:** under age 55: \$6,750; age 55 and over \$ 7,750
- Nursing Home Assessment Credit** — A NYS credit. Provide a copy of the nursing home bill showing the amount of the NYS assessment paid for the year.

Worksheets noted throughout this checklist can be found on website www.HighFallsAdvisors.com by selecting "Tax Tools" under the "Client Resources" tab or by calling our office at (585) 935-5300.