

PHYLLIS JO KUBEY, EA CFP NTPI Fellow

Tax Preparation & Consultation

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**HOW TO PREPARE FOR YOUR TAX APPOINTMENT
CURRENT YEAR TAX RETURN ENGAGEMENTS – NEW CLIENTS
(Revised December 26, 2023)**

Thank you for contacting me regarding assistance with your 2023 tax returns and/or initial consultation.

Please get me your 2023 tax information ASAP. I work on returns in the order received. I usually prepare 250-300 tax returns each year. Since most of my returns take several hours to prepare, I often cannot complete everything before the April filing deadline. I do my best, but I cannot guarantee I will not need to file extensions. **Any returns with foreign issues may require an extension regardless of timing.**

I am very happy to receive your documents electronically – via a secure portal (I use the Verifyle Pro platform) I will provide for you. Please do not e-mail attachments that contain your sensitive tax information. That is not safe! Hard copy is also fine. I will scan/digitize everything here. If you send/drop off hard copy documents, **please be sure that they are in a sealed envelope.**

My current hourly billing rate is \$350/hour and I require a minimum down payment of \$350 for prior clients (which covers 1 hour of time and is applied toward my fees)/\$750 for new clients (which covers 2+ hours of time and is applied toward my fees). Depending on the scope of the engagement I may adjust the upfront payment. Any additional fees beyond the initial down payment are payable when I complete the tax returns, after you review the tax returns, and before I transmit the tax returns electronically. I've attached a detailed schedule of my billing policy/fee schedule.

New clients, please provide me with a complete copy of your **2020, 2021 and 2022 tax returns** (federal and state) and your tax forms and documents for 2023. List any income you have earned for which you have not received a 1099 or a W-2 form (such as freelance jobs under \$600, private teaching, consulting, etc.). Include forms you have received for bank interest and other investment earnings. **Please include your year-end pay stub for each W-2 employer for whom you have worked during the year.** Pay stubs include a good deal of information not supplied on the W-2 form – so it is very important to have this additional documentation.

UNEMPLOYMENT – If you collected unemployment benefits, please visit your state department of labor website to retrieve your 2023 Form 1099-G (the tax form that reports

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your benefits and withholding). Many states do not mail the tax forms. Here is the link for the NYS Department of Labor information: <https://dol.ny.gov/unemployment/1099-g-tax-form>

Please note that NYSDOL announced they will mail the 2022 1099-G forms!

If you sold **securities and/or mutual funds** during the year, please provide the date of purchase and original cost basis of all shares sold (for stocks, this will be your buy confirmation or entry on your statement/for mutual funds, it will be the cumulative annual statement for each year you've owned the fund). Mutual fund companies may provide a statement of average cost basis; include this with your tax materials.

If you sold virtual/cryptocurrency, please provide statements from your "wallet." If you have multiple trades/multiple wallets, please use available software for sorting and organizing your trades. Here's one option several of my clients use and like:

<https://coinledger.io/?fpr=zwmps>

There are many others available.

If you need assistance in organizing your professional and/or itemized deductions, please contact me.

Performing Artists: You may use the categories on my list (available on my website) as a guide for organizing your expenses. I need not see receipts, but you may wish to provide them if we want to double-check any figures or dates for your deductions. Total your expenses in the categories and provide me with the totals.

Business/Professional Deductions: Please request a copy of my packet for business professionals if you do not already have a copy on file.

Travel: For any out-of-town business/job-related travel, *please list each trip separately* and divide your expenses into:

Dates away from home overnight on business

Location(s) – city(ies) where you spent the night away from home for business

Business Purpose of your trip

Airfare

Ground transportation

Auto rental & fuel

Lodging

Other (please detail)

If you received a **per diem allowance** not included in income on your W-2 or 1099 form, please list the amount received for each engagement.

For **medical expenses**, please list health insurance premiums and long-term care insurance premiums you paid (if applicable) separately from other out-of-pocket medical expenses. See IRS publication 502 (www.irs.gov) for a list of deductible medical

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expenses, and don't forget to include transportation to medical visits. The deduction for medical miles driven in 2023 is 22 cents per mile.

For **charitable contributions**, please separate into contributions paid by check/cash and contributions of used clothing/goods (non-cash contributions) donated to charity. If your (total) non-cash contributions exceed \$500, please list each contribution separately by date of the contribution, full name and address of the charity, amount donated, and how you arrived at the value of your donation (i.e., thrift-shop value, comparable sales, appraisal, etc.). For any charitable contributions that total \$250 or more to a single organization, you must have a letter of acknowledgment from the charitable organization. **Your check/proof of payment is not enough to substantiate the deduction. No charitable deduction is allowed for the value of services.** The deduction for charitable miles driven in 2022 is 14 cents per mile (this is a statutory number and needs legislative action to change/no inflation adjustment was written into the code).

For **education expenses** (post-secondary), please document the total tuition/fees paid in 2023 (Billing & payment records are usually available online on the schools' websites) and the student loan interest you paid in 2023, along with tax forms 1098-T for tuition and 1098-E for student loan interest. Tax benefits available for post-secondary education are significant. <https://www.irs.gov/newsroom/tax-benefits-for-education-information-center>

For **child-care expenses**, please provide the full name, full address, **tax ID number**, and amount paid to each provider. If the care is for more than one child, please list the amount paid to each provider for each child separately. The best practice is to obtain the IRS form W-10 from the child care provider: <http://www.irs.gov/pub/irs-pdf/fw10.pdf>.

PRIOR YEAR TAX RETURN ENGAGEMENTS – NON-FILERS

If you have been contacted by the IRS or other state taxing authority, please provide copies of all correspondence received and/or records of all telephone exchanges regarding your taxes. Please provide copies of the last tax return filed before any year in question (i.e., if you have not filed for 2018 and 2022 but have filed all years between, please provide a copy of your 2016 and 2017 returns). I determine retainers for multiple-year non-filing engagements according to the projected scope of the work.

If you have questions, please contact me.

Kind regards,

Phyllis Jo Kubey, EA CFP® NTPI Fellow

TAX-RELATED DOCUMENTS

January 31 is the due date for most forms to be in the mail to you. If you have not received documents by January 31, please contact the sender of any missing forms. There is an extended deadline of February 15 for certain investment tax-reporting forms and later dates for K-1 forms from partnerships/trusts/estates/S corporations.

Here is a more detailed/specific list of tax documents you may need:

W-2 forms: have one for each job you worked in 2023. If you had more than one employer, be sure you have all forms. If your form doesn't arrive by January 31, call the employer to inquire about the status – and remember that your pay stubs and tax forms may be available only via online access (contact your HR department to get instructions for logging in). Did your former employer close or go out of business? Bring your final pay stub to the appointment if you received no W-2 form. **PLEASE INCLUDE YOUR FINAL PAYSTUB FOR EACH EMPLOYER ALONG WITH YOUR W-2 FORM** (much information is listed on the pay stub, not included on the W-2). If you've not saved your pay stubs for 2023, please begin this practice for 2024 and future years. These may be provided to you electronically by your employer. Discover how to access your payroll records and download the pay stubs, so you have them on file.

Forms 1099-INT and 1099-DIV: Banks, brokerage firms, mutual funds, and individual companies are among those who will issue forms to report the 2022 income to you. Please provide ALL PAGES of all forms. You can usually download a complete PDF on the issuer's website – and share that with me via the secure Verifyle portal.

Annual statement for brokerage/mutual fund accounts: Please bring a copy of your year-end cumulative statement for any mutual fund/brokerage account. These statements often contain important information not shown on your 1099 forms.

Investment-related forms have an extended deadline of 2/15 to be sent to taxpayers.

Other 1099 forms: Real estate sales are reported on form 1099-S; stock sales are shown on form 1099-B, and Social Security is on a 1099-SSA. Pension and IRA distributions are reported on form 1099-R. In addition, you may receive tax forms for unemployment compensation (1099-G), state or local tax refunds (1099-G), gambling/lottery winnings (W-2G), miscellaneous compensation (1099-MISC) and non-employee compensation (1099-NEC). **Some state government-issued forms may be available only online.**

Form 1098: Mortgage interest and/or home equity loan interest is reported on this form. This form may also show real estate taxes paid from your mortgage escrow account for 2024. If you pay your real estate taxes directly, please bring records of payments you made during 2023 (contact your property tax office if you are not sure of total payments made during the calendar year).

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Forms K-1 for 1041, 1065 and 1120-S: There is no requirement (unfortunately!) these forms be sent to you by the end of January. Estates/trusts, partnerships and S Corporations have their own filing deadlines and these forms come in later in the year. However, if you were a beneficiary of an estate or trust or a partner or shareholder in a business, these forms are important to prepare your tax return. **If you don't have these forms by the end of February, please call the responsible person for the entity and ask when you can expect to receive the information.** It is most important to determine whether a K-1 form is expected so we can delay the finalization of your tax return until the information is complete.

N.B. Please do not delay getting me your other materials waiting for missing K-1 forms! I can work on everything else and can quickly fill in the K-1 information when it arrives.

Have you purchased or sold a home? Provide the settlement/closing statement so applicable deductions can be determined. The old HUD settlement statement has been replaced with the Loan Estimate and Closing Disclosure:

<https://www.consumerfinance.gov/owning-a-home/loan-estimate/>

<https://www.consumerfinance.gov/owning-a-home/closing-disclosure/>

Did you refinance your mortgage? Bring the settlement or escrow statements so applicable deductions can be determined (also applies for home equity loans). You should also have a settlement statement for a refinance.

Stock Sales: If you sold stock during the year, we need the original cost!!! You'll need to bring historical information with you. If the sale was from a mutual fund and the cost is not shown on your redemption sheet, please contact me before your appointment for specific guidance on what we will need to determine the cost basis of shares sold.

Mileage and expenses: You MUST have a log book or electronic record (from an app) for documenting business mileage and automobile expenses. Now is a good time to be sure that the current year logbook is set up and available for recording 2024 expenses. If you are using the standard mileage method for taking automobile deductions, we only need business miles driven in 2023 (divided into those associated with W-2 income and those associated with non-W-2 income), total miles driven during 2023 (i.e., odometer reading 12/31/2023 minus odometer reading 1/1/2023), and business-related parking and tolls (divided into those associated with W-2 income and those associated with non-W-2 income). If you are using the actual expense method for taking automobile expenses, you will need the mileage information described above, parking and tolls described above, and actual expenses for fuel, oil, insurance, lease payments, license fees, repairs, etc. The standard mileage deduction for business-related driving in 2023 is 65.5 cents per mile. *I have more detailed information on auto expense deductions (available on my website) - even if you use the standard mileage method, keep receipts for your service visits that show odometer readings. If audited, the taxing authorities may request these so they can verify your odometer readings/miles driven.*

Estimated Tax Payments: Look up the actual date paid and the amount for each quarter's payment. Remember that the January 2024 payment is for your 2023 estimated tax (4th quarter) and the January 2023 payment was for your 2022 estimated tax (4th quarter). If you made a state estimated payment for 2022 in January 2023, please note this and note whether you made your fourth quarter state payment for 2023 in December of 2023 (as opposed to waiting until the actual due date of 1/16/2024).

Sale of your personal residence: If you occupied your home for less than 2 years or used part of your home for business, records on original cost and improvements are vital to the proper preparation of your return. Please contact me for more information if this applies to you. In all cases, please provide the settlement statements for both the purchase and sale of your personal residence.

New Dependents: If a child was born in 2023, you support another family member or relative, or you completed the adoption process for a new dependent, please provide a copy of the social security card, birth certificate, and a medical or other record that shows the child lives at your address. If there are other dependents you believe you are eligible to claim this year, please provide their information.

Health Insurance: Beginning 1/1/2019, there is no more federal penalty for having no health insurance. However, many states require health insurance certification. Please provide proof of coverage, such as a copy of an insurance card or other documentation. If you purchased health insurance through a health insurance exchange, you will need Form 1095-A. If you had other insurance, you may receive Form 1095-B or 1095-C. However, the IRS often grants extended deadlines to the issuers for providing these forms – so you may not receive these in time for filing your 2023 tax returns. Form 1095-A should be available by the end of January in your NY State of Health or other health insurance marketplace account. Form 1095-A is essential. Forms 1095-B and 1095-C are helpful, but we can proceed without them.

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OFFICE POLICIES EFFECTIVE JANUARY 1, 2024

When you retain my services for tax preparation, I require a down payment of \$350 (\$750 for new clients) payable upon initial consultation and/or delivery of materials. Prepayment for multiple-year tax preparation and retainers for representation will be determined case-by-case. Completed tax returns will be released and/or mailed upon full payment of all fees incurred.

For cancellation of an appointment without 24-hour notice, there will be a charge of \$100.00. A missed appointment (No show - No call) will incur a charge of \$200.00. Bounced check fee: \$25.00. Monthly re-billing fee on any outstanding balance due: \$25/month. Additional tax return copy: \$25.00.

I will do my best to complete all returns for April delivery, but your tax returns may require an extension. **BE SURE TO PROVIDE ME WITH YOUR MATERIALS EARLY!!** Based on prior experience, I cannot complete all work before the April filing deadline.

PLEASE NOTE: If it is easier for you to give me your information in several bunches, that is fine with me. If you are missing one thing, you need not delay submitting the rest of your materials while you wait for the missing item.

ORGANIZERS AND WORKSHEETS - I have formal tax information organizers and various deduction lists and worksheets available upon request.

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BILLING POLICY

1. Hourly Fees. The basic hourly rate charged by Phyllis Jo Kubey, EA CFP® NTPI FELLOW is \$350.00. This hourly rate is based on years of experience, specialization, and a high level of professional attainment (Enrolled Agent, Certified Financial Planner, Accredited Tax Advisor, Accredited Tax Preparer, and Fellow – National Tax Practice Institute). Hourly rate is subject to change without notice.

For most services, the basic hourly rate controls. However, please refer to **Schedule of Fees and Related Policies** for details

2. Billing. You will be provided with an itemized and timely statement for professional services rendered.

We have agreed on an initial down payment, generally \$350.00 for prior clients/\$750 for new clients. Depending on the scope of the work and the time involved, I will adjust the down payment amount. All fees must be paid in full before the release of completed tax returns or other documents.

3. Late Payments. I am confident that my clients will try to pay promptly. Occasionally, however, a client has difficulty in making timely payments. To avoid burdening those clients who pay their statements promptly with higher fees reflecting the added costs I incur because of clients who are delinquent, **a monthly rebilling charge of \$25.00 is added for late payments.**

If payments are not made within thirty (30) days after the statement date, I retain the right to discontinue the professional services I am providing. I will not do so without giving the client due notice of my intention to discontinue, suggesting employment of another practitioner, allowing time to retain another practitioner, delivering all papers and property to which the client is entitled, cooperating with the practitioner retained, and otherwise endeavoring to minimize the possibility of harm to assure that the client's case will not be prejudiced. Any outstanding amounts will be paid, plus a fee for copying and transferring of files.

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SCHEDULE OF FEES AND RELATED POLICIES

FEES:

Consultation, Prior Year Tax Prep, IRS Problem Resolution Services, etc. - \$350/hour

Representation before and/or negotiations with taxing authorities - \$350/hour

Minimum charge for Initial Consultation (One hour minimum) - \$350/hour

Electronic Filing Fee – no additional fee for e-filing

- Cancellation without at least 24 hours prior notice \$100
- “No Call – No Show” \$200
- Returned Check Fee \$25
- Additional Tax Return copy \$25
- Re-billing Fee for uncollected balances \$25 for each month fees are unpaid

BILLING:

Billing begins at the time the appointment is scheduled to begin...so please be prompt and save \$\$\$.

PAYMENT:

Completed tax returns will be released only upon full payment due for all services. Likewise, representation before and/or negotiations with the IRS/State will commence and be continued only upon the account balance being paid in full.

DOWN PAYMENT REQUIREMENT:

A down payment will be required in an amount to be determined case-by-case. The minimum down payment is \$350 for prior clients/\$750 for new clients.

SAVE MONEY:

Save money by requesting appointments early, being on time, calling ahead for cancellations, presenting your data in a clear and organized manner, etc.

RECORDKEEPING HINTS AND REMINDERS

INCOME

- Keep your paystubs. Prepare an envelope or folder for each employer for whom you work during the tax year. Your paystubs contain valuable information not found on your W-2's and 1099's such as union dues deducted, state disability deductions, medical insurance premiums deducted, per diem paid, etc. If you receive a check with no stub, record the information on a piece of paper and file the paper in its place.
- Keep a log of all income received to reflect gross income/wages, payroll taxes withheld (by type) and other deductions, net income. Also, keep a log of cash income.
- Keep foreign income separate from domestic income.
- Keep W-2 income separate from 1099/fee income.

DEDUCTIONS – **CREDIT CARD STATEMENTS ARE NOT ENOUGH**

- Keep an envelope or folder for each category of tax-deductible expense you incur during the tax year. Prepare the envelope/folder at the beginning of each year so you may put the receipts in the proper folder as you receive them. Your folder can be electronic if you prefer electronic storage to paper records.
- Keep a log of all expenses for which you receive no receipt. Get a receipt.
- Keep a log of your local transportation detailing the date, where you are traveling from, where you are traveling to, the business purpose of the trip, and the cost (including tip).
- Keep a mileage log if you use your automobile for business. The log should include the date, business purpose/destination, beginning odometer reading, ending odometer reading, miles traveled, and actual expenses.
- Keep a log of your business gifts, including the date, name, and business relationship of the colleague and the cost (up to \$25 per person/per year) of the gift.
- Keep a log of your out-of-town travel, including the date departed and date returned, number of days spent, business destination, business purpose, and cost of the travel. If you are using the standard meal allowance (you must generally use actual expenses for all other travel expenses) document the date, place and business purpose.
- Keep a log of your business meal expenses, including the amount spent, date of the meal, name/address of location, business reason, and business relationship.
- If you use PayPal, Venmo, Zelle, or other payment apps for either receiving or making payments, be sure to download transaction reports or have other adequate records (i.e., bank statement entries for Zelle) to show your activity.
- **YOU MUST KEEP RECEIPTS FOR YOUR DEDUCTIONS. CREDIT CARD RECORDS ARE NOT SUFFICIENT DOCUMENTATION.**

In doubt? Think about proving: Amount, Time, Place, Description, Business Purpose, and Business Relationship

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Here are links to various consumer bill of rights/consumer protection bulletins on engaging a tax professional. As an enrolled agent, I am exempt from providing you with this information, but I offer it for your consideration.

NYC: <http://www1.nyc.gov/assets/dca/downloads/pdf/consumers/Consumer-Bill-of-Rights-Regarding-Tax-Preparers-English.pdf>

NYS: <https://www.tax.ny.gov/pdf/publications/income/pub135.pdf>

Nerd Wallet article on finding a tax preparer:

<https://www.nerdwallet.com/article/taxes/how-to-find-best-tax-preparer-near>

Consumer Reports Article: <https://www.consumerreports.org/money/taxes/how-to-find-a-reliable-tax-preparer-a4557499190/>