

DIANE ROWE CAPRIO, E.A.
ACCOUNTING, PAYROLL & TAX SERVICES

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January 23, 2021

Dear Client:

It seems everything is running a little late this year including my letter! However, you do have time to review the contents and gather your information for your tax preparation.

The IRS has pushed the acceptance of paper and electronic filings this year to February 12, 2021. They have stated the delay allows them time to do additional programming and testing of IRS systems following the December 27, 2020 tax law changes – especially those involving a second round of stimulus checks.

The good news from all this is that it gives you several additional weeks to receive tax documents that come through the mail system. (We all know how slow the postal service has been lately). It is important for you to review your tax document checklist (enclosed) to insure you have all your information prior to making your appointment or dropping off your information. Remember, once your return is filed with the IRS, the only way to add or change tax information is to file an amended return and that would be an additional charge for you.

Due to the risks of COVID-19 exposure and for the well being of our staff and clients, we will not be scheduling appointments to meet in our small offices this year. For those of you that normally have appointments we are offering two options for completing and processing your tax returns. The first option will be to simply drop off your documents and we will see that your return is prepared on a timely basis by the preparer who has done your return in the past (unless you have no preference on a preparer). When the return is completed we will contact you to review, sign, pay and pickup. The second option will be by “curb-side” which means we can schedule a time for you to drop off your documents and your preparer can work on it during an allotted time on a specific day and you can come back within the hour or so to review, sign, pay and pick up your tax return. If you have questions or concerns at any time, please do not hesitate to contact the office to discuss your tax preparation. Upon completion, we will review the return with you over the phone or in the office to insure it is complete and accurate.


Of course there are other options by way of mail or email; however we frown against email due to security concerns.

If you would like your detailed client organizer please call the office at 301-745-4442 or email us at dianecaprioaccounting@hotmail.com.

In early 2020, most of you received the “stimulus” money either by check or direct deposit. Or in some cases, you may not have received any stimulus. Some of you may have received less than what you were owed. This stimulus payment, along with the second round that was issued late December 2020 **will be reconciled on your 2020 tax return**. We can only determine any additional amounts that are due to you if we know the actual amounts received. The IRS informed you of the 1st stimulus payment with Notice 1444. If you have that form, please bring it with you. We have also attached a statement for you to complete to verify the amount of both stimulus payments received. Please bring this along with you at your appointment.

We value your business and thank you for your continued support. We appreciate referrals and continue to offer \$10 discounts for each referral given!

Very truly yours,



Diane Rowe Caprio
Enrolled Agent/Owner

Tax Preparation Checklist

Before you begin to prepare your income tax return, go through the following checklist. Highlight the areas that apply to you, and make sure you have that information available. Better yet, attach the list to a folder of your tax documents, and check items off as you add them to the folder.

Most people will need:

Personal information

This information tells the IRS exactly who's filing, who is covered in your tax return, and where to deposit your tax refund.

- Social Security numbers and dates of birth for you, your spouse, your dependents
- Copies of last year's tax return for you and your spouse (helpful, but not required)
- Bank account number and routing number, if depositing your refund directly into your account

Information about your income

- W-2 forms for you and your spouse
- 1099-C forms for cancellation of debt
- 1099-G forms for unemployment income, or state or local tax refunds
- 1099-MISC forms for you and your spouse (for any independent contractor work)
- 1099-R, Form 8606 for payments/distributions from IRAs or retirement plans
- 1099-S forms for income from sale of a property
- 1099-INT, -DIV, -B, or K-1s for investment or interest income
- SSA-1099 for Social Security benefits received
- Alimony received
- Business or farming income - profit/loss statement, capital equipment information
- Rental property income and expenses: profit/loss statement, suspended loss information
- Prior year installment sale information - Forms 6252, principal and interest collected during the year, SSN and address for payer
- Miscellaneous income: jury duty, gambling winnings, Medical Savings Account, scholarships, etc.

Adjustments to your income

This following items can help reduce the amount of your income that is taxed, which can increase your tax refund, or lower the amount you owe.

- Form 1098-E for student loan interest paid (or loan statements for student loans)
- Form 1098-T for tuition paid (or receipts/canceled checks for tuition paid for post-high school)
- For teachers: Canceled checks or receipts for expenses paid for classroom supplies, etc.
- Records of IRA contributions made during the year
- Receipts for any qualifying energy-efficient home improvements (solar, windows, etc.)
- Records of Medical Savings Account (MSA) contributions
- Self-employed health insurance payment records
- Records of moving expenses
- Alimony paid
- Keogh, SEP, SIMPLE, and other self-employed pension plans

If you itemize your deductions:

Deductions and credits

The government offers a number of deductions and credits to help lower the tax burden on individuals, which means more money in your pocket. You'll need the following documentation to make sure you get all the deductions and credits you deserve:

- Child care costs: provider's name, address, tax ID, and amount paid
- Education costs: Form 1098-T, education expenses
- Adoption costs: SSN of child; records of legal, medical and transportation costs
- Forms 1098: Mortgage interest, private mortgage insurance (PMI), and points you paid
- Investment interest expenses
- Charitable donations: cash amounts, official charity receipts, canceled checks; value of donated property; miles driven and out-of-pocket expenses
- Medical and dental expense records
- Casualty and theft losses: amount of damage, insurance reimbursements
- Records/amounts of other miscellaneous tax deductions: union dues; unreimbursed employee expenses (uniforms, supplies, seminars, continuing education, publications, travel, etc.)
- Records of home business expenses, home size/office size, home expenses
- Rental property income/expenses: profit/loss statement, rental property suspended loss information

Taxes you've paid

- State and local income taxes paid
- Real estate taxes paid
- Personal property taxes
- Vehicle license fees based on value of vehicle

Other information

- Estimated tax payments made during the year (self-employed)
- Prior-year refund applied to current year and/or any amount paid with an extension to file
- Foreign bank account information: location, name of bank, account number, peak value of account during the year
- Form 1444 - Stimulus Payment Notice
- Stimulus Payment Information - Amount Received - Both Payments

