

January 2019

We are pleased that you are retaining us to assist with tax preparation for 2018. Thank you!

Enclosed, you will find:

- **Tax Questionnaire & Organizer** – Completing the Questionnaire provides vital information to Lottsa staff. Use the Organizer to help assemble and organize your materials. A completed Organizer will generally result in lower fees due to more complete data gathering and communication. On the back of this letter there is also a checklist of documents we'll need to complete your return. Not all will apply to your situation.
- If you have a **pre-scheduled appointment**, it is noted on the front page of your Tax Organizer.
- **Engagement Letter** – Lottsa must have a signed copy before starting work on your tax return. If married, both spouses must sign.
- Lottsa's 2019 **Privacy Policy** for your information.

**Important dates:**

**February 11**

- 10% Early Bird Discount deadline. All available materials and Organizer must be **received at Lottsa** by 6 pm in order to qualify.

**March 15**

- All available materials must be received at Lottsa to have a fair chance of completion by April 15.
- Last day to meet with tax preparers.

**April 15**

- Regular Tax Deadline to file or extend.
- Any 2018 tax balances due, as well as 1st quarter estimates for 2019.

If you want to make an appointment or reset your pre-scheduled time, please contact the Lottsa offices at 612-338-7459 or email [Nicole@Lottsa.com](mailto:Nicole@Lottsa.com). Staff members have varying availability. Generally speaking, appointments are possible Monday – Saturday from 8:30 am – 5:00 pm, and evenings on Tuesdays.

Our offices are at the top of a long set of stairs. A first floor meeting space is available for clients who prefer not to make the climb. Let us know if you would like to meet in the first floor space.

We use the **SmartVault** portal for **secure** data transmission. It is currently the most secure and efficient method to share documents with Lottsa and provide you with access to prior years' tax returns. If you prefer a PDF copy of your tax return, we will make sure that you have access to your account in SmartVault.

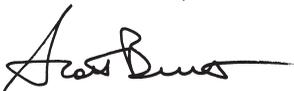
Our rates in 2019 have increased. Please see our website for details.

Lottsa donates \$2 to a selected charity for every individual tax return that we prepare. This year we have chosen **Friends of the Boundary Waters Wilderness** in support of their work to protect the BWCA: [www.friends-bwca.org](http://www.friends-bwca.org).

This is a rather intimate undertaking that you entrust to us. It is a privilege to serve you and we're thankful for your support.

May (y)our actions be of benefit to ourselves, to others, and to the world.

With Gratitude,



Scott Beers E.A., CFP®, President

Lottsa Staff: Sarah K, Mary, Daniel,  
Lisa, Nancy, Sarah L, Nicole,  
Nettie, Chrycinda, and Caden

**Please see Checklist and Important Reminders on the back of this page**

**LOTTSA**  
Tax & Accounting Services, Inc.

400-19th Ave So  
Minneapolis, MN 55454  
612-338-7459

# INDIVIDUAL INCOME TAX PREPARATION CHECKLIST

- Completed Tax Organizer. **Please respond to the Questionnaire in the front of the Organizer.**
  - Engagement Letter signed and dated. Both spouses must sign if married.
  - Tax Documents as applicable (please provide these forms even though you've listed the amounts in the Organizer):
    - W-2** Forms
    - 1099 Forms** [**INT**erest; **DIV**idend; **BR**oker; **C**ancel Debt; **MISC**ellaneous; **R**etirement; **Q**ualified Tuition Plan; others]
    - Statement of Realized Gain/(Loss)** [usually received from the brokerage company]
    - Social Security Benefits Statement** [SSA-1099]
    - K-1 forms** from Partnership, S Corp, Estate/Trust [All pages]
    - 1098 Forms** [Mortgage Interest Paid] **1098-E** [Student Loan Interest Paid] **1098-T** [Tuition Paid]
    - Health Savings Account (HSA)** Related forms [1099-SA and 5498-SA]
    - 2019 County Property Tax Statement** if homeowner; **CRP** form if you are a MN renter
    - Settlement Statement** (also called the Closing Disclosure) from the closing of any home purchase, sale or refinance.
    - Affordable Care Act (ACA)** Health Insurance verification is reported on 1095 forms. Please provide the following forms if received:
      - Form 1095-A if purchased from the health insurance exchange,
      - 1095-B issued by the insurer for policies not obtained through the exchange, and/or
      - 1095-C issued by "large" employers.
- Please provide these forms even though you've listed the amounts in the Organizer.*
- Any **Notices or Bills** received from a Tax Authority.
  - If you're a **new client**, provide a copy of prior year Federal and State tax returns if we don't already have them.

## TOPICAL INFORMATION

**Changes for 2018:** The Tax Cuts and Jobs Act is in effect for the 2018 tax year. The following common deductions are no longer available on Federal returns:

- Unreimbursed employee expenses including home office, mileage, meals & entertainment, etc. (Costs incurred as a self-employed person are still deductible.)
- Fees paid for financial advising and tax prep services
- Safety deposit box rental fees
- Interest on home equity loans if not used for home improvement

**If you are a Minnesota resident, providing this information is still relevant since Minnesota has not conformed to the Federal tax changes.**

**Charitable Donations:** Prior to filing your tax return, you should have a receipt or proof of payment for all donations claimed. If the donation is  $\geq$  \$250, then you must have both a receipt and proof of payment. The charity's acknowledgement (receipt) must include words to the effect of 'no goods or services were provided in exchange for the contribution'. If you made donations of property or securities whose value exceeds \$500, you must also describe what was

given, to whom, the date(s) donated, date(s) acquired, cost of the property given away, and its value at donation date. Donations of vehicles generally require Form 1098-C. Only donations made to registered U.S. nonprofits are deductible. Political contributions, donations to foreign charities, and gifts to individuals are not deductible.

**Vehicle Deductions:** If you use your vehicle for self-employment or rental property purposes, you may be eligible for a deduction. A Standard Mileage deduction is available for most taxpayers, and is the most common method among our clients. Using Actual Expenses is also an option. It is possible to compare the results using both methods, and then choose which is more advantageous. If you want to claim a vehicle deduction, further clarification about the necessary information can be found at tax.lottsa.com/worksheets-tax-preparation. Please assemble the required information on the relevant pages of the Organizer. If vehicle use is a new factor in your tax situation, contact Lottsa to request an Organizer supplement. There is no federal vehicle deduction for employees.

**A Health Savings Account (HSA)** is an account in your name into which you can

deposit pre-tax funds to be used to cover out-of-pocket medical expenditures. You must have an eligible, high-deductible health insurance product to contribute to an HSA. These accounts are NOT the same as employer sponsored medical reimbursement plans (a.k.a. FSA). If you have an HSA, provide the amount contributed for tax year 2018 and amount of withdrawals from the Plan in 2018. Also provide any HSA related forms [1099-SA & 5498-SA].

**Supplemental Information** is sometimes needed. If there were changes in your situation (economic, family, location, etc.) compared to the prior year, or if you have information to share that was not captured in our Organizer, please be sure to communicate about those topics to us. There is an Additional Information page in the Organizer to use. You can also call us to request supplemental Organizer pages for business, rental, business use of home, vehicle use, or other new matters.

**Minnesota-Specific Information** such as property taxes, deductions, and credits for education expenses, and long-term care insurance is gathered on the final pages of the Organizer. Please provide applicable data.