

What Does a Tax Pro Need Based on Life Events

The below list is NOT what you need to prove the information to the IRS but is instead the information your Tax Pro needs, in the form they will most likely want it that will avoid additional charges for accounting or organizing your information. Your Tax pro can discuss what you should retain as evidence of these deductions but, counterintuitively, the evidence can be much less organized than the below information (as long as it exists and you have access to it).

Unless the preparer is also your accountant who maintains your bookkeeping the totals for businesses and rentals should be just that: totals for the category and not individual receipts. Many categories are ambiguous and confusing but don't sweat if you get it perfect. Just make sure the totals are correct.

Life Event	Forms or Information Needed
Purchase a Home	<ol style="list-style-type: none"> 1. The Master Settlement Statement from Closing 2. A 1098 form from EVERY mortgage company that owned your loan during the year 3. Potentially information for itemizing: cash/check/charge payments to charity, list of Goodwill type items donated, taxes paid to register cars, medical expenses paid if large
Own a Home	<ol style="list-style-type: none"> 1. 1098 Forms for every mortgage company who held your mortgage during the year 2. Master Settlement Statement if you refinanced 3. Information for itemizing: Charity as discussed in Contribute to Charity in this document, car taxes paid, medical expenses if very large.
Contribute to Charity	<ol style="list-style-type: none"> 1. The total amount contributed during the year in cash/check/charge or an itemized list of how much donated to each charity 2. A list of items donated to Goodwill type charities, organized by date donated, organization donated to, address of the organization and an itemized list of donated items for each date with it's condition (good or better). The more detail you provide the better the value can be determined. Some Tax Pros will want you to provide a value, others will determine it for you. Obviously, high value items should have sufficient detail or pictures that allow good determination. 3. Miles you drove for donating or volunteering for charity.
Get Married	<ol style="list-style-type: none"> 1. Marriage date 2. A copy of your new spouse's Social Security Card 3. A copy of your new spouse's picture ID 4. The tax pro will likely assume you will file jointly and this is usually the best idea. They will check to see

	if separate works best and inform you. If you do not want to file jointly you should tell your Tax Pro and discuss why that is.
Have a Child	<ol style="list-style-type: none"> 1. Copy of Social Security Card 2. Copy of Birth Certificate (just providing the birthday is usually enough but a birth certificate covers any due diligence requirements)
Collect Unemployment	1099G from the State website or mailed to you
Pay on Student Loans	1098E Form or equivalent (they often send a letter vice a 1098E)
Plan to Attend College (talk to Tax Pro EARLY)	<ol style="list-style-type: none"> 1. A 1098T from the institution 2. An account transcript from the institution 3. Receipts for books and other costs for supplies that are required for a specific course or course of study (generally not generic supply expenses). That said, when in doubt, include the cost on a list with a description so your Tax Pro can sort it out. 4. The total scholarships or grants you received aren't on the 1098T (normally ones sent directly to you). What we are looking for is to determine which scholarships were required to be used for tuition and which are not. Normally the ones on the 1098T have to be used for tuition, but not always. 5. The amount the college refunded to you out of excess scholarships 6. Any 1099Q forms from college savings plans 7. The amount of Savings Bonds redeemed for college and the associated 1099INT 8. Any VA benefits used for college 9. The cost for room and board, if any. <p>*You really want to have a good talk with your Tax Pro before paying for college or accessing funds for college. In some cases you can lose out on up to \$10,000 of credits over 4 years if you don't plan properly.</p>
Withdraw from a College Savings Plan	<ol style="list-style-type: none"> 1. Form 1099Q 2. What the money was used for and/or the amount you spent on private school tuition, paying student loans or higher education expenses (even if not directly spent from the 529 withdrawal)
Adopt a Child	<ol style="list-style-type: none"> 1. Date Adoption process started 2. Date Adoption was final 3. Adoption expenses and year paid 4. If the adoption was domestic or foreign 5. If the child was designated as special needs by the State

	<p>6. Copy of Social Security Card</p> <p>7. Copy of Birth Certificate (just providing the birthday is usually enough but a birth certificate covers any due diligence requirements)</p> <p>8. A copy of the adoption certification might be required to comply with due diligence requirements</p>
Foster a Child	<p>1. Dates the child lived with you during the year</p> <p>2. What agency placed the child with you</p> <p>3. Copy of Social Security Card</p> <p>4. Copy of Birth Certificate (just providing the birthday is usually enough but a birth certificate covers any due diligence requirements)</p> <p>5. Your biological relationship to the child, if any</p> <p>6. A copy of the Foster Child certificate or documentation may be required for due diligence considerations</p>
Have a Health Savings Account	<p>1. You should confirm to them that you have a High Deductible Health Plan</p> <p>2. Form 1099SA or the total amount used from the account during the year</p> <p>3. Either a total for medical expenses for the year or, to make things easy, simply state that all your HSA withdrawals were used for medical expenses and that you can either document this with receipts, or your account uses a method to ensure it is only used for allowable expenses.</p> <p>4. You should discuss the tax advantages and strategies for contributing and withdrawing from your HSA</p>
Invest in a non-retirement account	<p>1. 1099B form if any investments sold or converted during the year</p> <p>2. 1099DIV</p> <p>3. 1099INT</p> <p>4. You may receive a K-1 if one of your investments is a limited partnership. Since these sell like stocks, you might not be aware it is a partnership.</p> <p>*You may receive all or some of the above, or even a combined 1099 with all the above information. Your broker or their website should be able to tell you what to expect and when you will get it. Sometimes these forms take a long time to arrive, even into March.</p>
Have an Interest-Bearing Bank Account	1099INT
Cashed in Savings Bonds	<p>1. 1099INT</p> <p>2. If you have college expenses discuss this with your Tax Pro</p>

Invest in Cryptocurrency (Bitcoin etc.)	<ol style="list-style-type: none"> 1. 1099B Form if any sold or transferred 2. If you don't use an exchange that provides a 1099B or you mine Crypto or have other unusual situations your Tax Pro will likely need an easily editable spreadsheet that shows each transaction that involves a sale or transfer. Many of these spreadsheets contain extraneous information and your Tax Pro may charge a lot to organize it. They need date of purchase or sale, type of coin, amount of coin and dollar amount – that's generally all.
Invest in a Retirement Account not through your job	<ol style="list-style-type: none"> 1. You will receive a 5498 after tax season but your Tax Pro does not generally need this. 2. How much you contributed to the account for the current tax year. 3. If you withdraw or rollover the account you will receive a 1099R 4. You should discuss withdrawals from these accounts with your Tax Pro BEFORE making the withdrawal.
Collect Social Security	Form 1099SA either from your ssa.gov account or mailed to you
Collect a Pension or Retirement (in retirement)	<ol style="list-style-type: none"> 1. Form 1099R 2. Inform your Tax pro if you ever made non-deductible contributions to the account 3. For older retirement plans the Tax Pro might need information about your investment in the plan and the date you first retired. For more recent retirements this information is not normally necessary. If there is a number in Box 2 of the 1099R, this information isn't needed 4. Anything unusual about the account
Withdraw for a Retirement Account (before retirement age)	<ol style="list-style-type: none"> 1. Form 1099R 2. The circumstances for the withdrawal – why you took it and details about what the money was spent on. 3. If it was a Roth IRA they will need the full history of annual contributions to the account and any previous withdrawals
Took a 401k (or equivalent account) Loan	Your Tax Pro does not need anything when you do this but you should let them know you did it so they can advise you of the potential impact of job loss or default.
Contribute to a College Savings Plan (529)	1. The amount contributed to the plan during the year and the State that sponsors the plan
PCS Transfer with Military	<ol style="list-style-type: none"> 1. State transferred to/from with new address 2. Date of move 3. A copy of your DITY move claim form or a list of expenses for the move (gas, miles for up to 2 cars by

	<p>most direct reasonable route, supplies, rentals, storage, moving services, weigh ticket costs, tolls, shipping and other moving expenses – provide details!</p> <p>4. If you didn't do a DITY move than anything you paid that the military would not reimburse such as pet shipping costs, too many vehicles or excess weight. *A detailed listing of all of the above will help your Tax Pro maximize deductions while preventing unallowed deductions.</p>
<p>Convert a Property to Rental</p>	<ol style="list-style-type: none"> 1. The date property was purchased 2. The date the property was made available for rent 3. The original price you paid for the property* 4. The cost of improvements made to the property while owned 5. Any unusual tax assessments or easements from the government 6. Information from below under Ongoing Rental Property Owned <p>*The above assumes the property was purchased. If it was inherited, gifted or otherwise obtained in a way other than purchase you will need to work with your Tax Pro to determine your "basis" which is your investment in the property.</p>
<p>Ongoing Rental Property Owned</p>	<ol style="list-style-type: none"> 1. Total rent received for the year 2. Security Deposits kept for damages total 3. 1098 for any mortgages 4. 1099MISC from property manager or government agency if applicable 5. Homeowner's Insurance cost 6. Property Manager's Statement* indicating how rent was used to pay expenses. This is in addition to the 1099MISC above <p>*Much of the below will be on a property manager's statement. If you use a property manager only include amounts below that were paid separately from the property manager.</p> <ol style="list-style-type: none"> 5. Cleaning and Maintenance cost 6. Legal and Professional Fees 7. Utilities paid by you 8. Repairs cost total of all repairs that were individually less than \$2500 9. Individual repair/improvements costs for items costing more than \$2500 10. Mileage to or from the property 11. Travel costs to and from the property

	<p>12. Management costs (these should definitely be on the property manager's statement)</p> <p>13. Advertising cost total</p> <p>14. Total cost for any supplies including office supplies</p> <p>15. Any other reasonable expenses should be provided to the Tax Pro in list form</p> <p>16. If your Tax Pro didn't prepare the prior year return they will need a copy of the return which SHOULD have a depreciation schedule included. If not, your new Tax Pro will want that schedule from your old Tax Pro or will need to reconstruct it using information about the property purchase, conversion to rental and any improvements that required depreciating.</p>
<p>Sell a House (Primary Home)</p>	<p>1. Master Settlement Statement from the closing</p> <p>2. The dates the home was owned and lived in by you (and your spouse if different)</p> <p>3. If the home was used as a rental or business while owned (if yes they will ask for a lot more)</p> <p>*Most homes sold that were owned and lived in for at least 2 years will be tax free and the above answers will determine that this is the case. The below information is if the sale is not excludable:</p> <p>4. Form 1099S</p> <p>5. The date the home was purchased by you</p> <p>6. The original purchase price*</p> <p>7. The cost of any improvements to the property while owned</p> <p>8. Any unusual tax assessments or easements that occurred while owned.</p> <p>9. If sold before 2 years, the circumstances that caused you to sell the home such as job move, medical issues, family size change etc.</p> <p>*The above assumes the property was purchased. If it was inherited, gifted or otherwise obtained in a way other than purchase you will need to work with your Tax Pro to determine your "basis" which is your investment in the property.</p>
<p>Sell a Home (Rental Property)</p>	<p>1. The Master Settlement Statement for the Sale and any costs for the sale not paid out of sale proceeds via closing.</p> <p>2. If your Tax Pro was not handling the rental they will need a copy of the prior year's tax return that SHOULD contain the depreciation schedule for the rental property.</p> <p>*Ideally the sale should be handled by the same preparer who handled your rental property before the</p>

	<p>sale. If not, there may be significant issues and additional information required if the data is not clear on the tax return</p>
Sell a Home (Investment Property)	<ol style="list-style-type: none"> 1. The Master Settlement Statement from Closing and/or any other document that documents the financial transactions and appropriate details. 2. 1099S form if received 3. The date the property was purchased 4. The price paid for the property* 5. The cost of any improvements to the property while owned 6. The details of any special assessments or easements on the property <p>*The above assumes the property was purchased. If it was inherited, gifted or otherwise obtained in a way other than purchase you will need to work with your Tax Pro to determine your “basis” which is your investment in the property.</p>
Inherit Stuff	<p>This is almost always a tax free situation for the recipient but the below points highlight possible exceptions and advice for these events:</p> <ol style="list-style-type: none"> 1. If you inherit tax advantaged retirement or other accounts you should consult your financial advisor AND your Tax pro before devising a withdrawal strategy or taking any money out of the accounts. 2. If you inherit anything that is likely to increase in value over time you need to know what it was worth on the date of death. Check with the estate to see if property was appraised and work with your broker to ensure inherited investments have their basis properly adjusted. Have an appraisal performed if not done by the estate, especially for high value property such as real estate.
Have Debt Written Off	<ol style="list-style-type: none"> 1. 1099C Form – these can take FOREVER to arrive and sometimes never show up. Be aware when these events occur and know the date, the amount written off, and the circumstances. 2. Your Tax Pro is going to want to try to get you out of paying taxes on this. They will need the details of the event, especially the nature of the debt, the reason it was written off, if you are in bankruptcy, your disability status and might even need to know the value of ALL your assets and debts on the date the debt was written off. Reach out to your Tax Pro ASAP if you have, or expect to have debt written off.

	3. If the is your principal residence, try to talk to your Tax Pro well ahead of making final decisions on Short Sales or Foreclosures.
Declare Bankruptcy	The main issue is the same as above for having debt written off, so be prepared to provide the above information. They will want to know what chapter you filed bankruptcy under.
Get Divorced	You want to talk to your Tax Pro very early about this. There are big issues involving kids and filing status that should be talked about EARLY. You might need to get Form 8332 from your ex-spouse if you are allowed to claim kids that live more with your ex-spouse.
Lose a Child during Child Birth (stillborn)	Nothing in this case
Lose a Child during Child Birth (born alive but subsequently died)	You should obtain a Social Security number for the child and provide it, and the birthdate to your Tax Pro. A child that survives for any amount of time outside of the womb qualifies as a dependent for the entire year.
Death of a Child	Provide the date of death to your Tax pro. The child can still be claimed as if it lived with you all year. Be aware that due to the way the Social Security Administration reports deaths, identity theft for a deceased child is much more likely. You should consider filing as early as possible and be prepared to have some trouble with filing electronically.
Death of a Spouse	<ol style="list-style-type: none"> 1. A copy of the death certificate is not absolutely required but should still be provided. 2. Provide the date of death <p>Unless you remarry, you will normally file jointly as a surviving spouse, signing the return for your deceased spouse and claiming all of their income (up to the date of death) and deductions.</p> <p>Your Tax pro can discuss options regarding inheritance and filing statuses available going forward, especially if you have children.</p>
Ongoing Business	<ol style="list-style-type: none"> 1. Any Form 1099NEC or other income documents received 2. Your total Gross Income (every penny you received before any deductions. If it is all reported on 1099NEC forms that is fine but you should still track it yourself. 3. Your EIN if applicable and they don't already have it 4. If you make or buy things to hold for resale (discuss your accounting method with your Tax Pro when providing these numbers):

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| | <ul style="list-style-type: none">A. Beginning InventoryB. Ending InventoryC. Returns or Allowances amountD. The cost of any items purchased for sale and/or the cost of all materials and other inputs for producing items for sale (Cost of Goods Sold)* <p>*Make sure not to duplicate any of these expenses below</p> <ul style="list-style-type: none">5. Mileage driven for the business (may need to be split up by date like in 2022 when the mileage amount changes on July 1st so they need total miles before and after)6. A list of major purchases of equipment or items expected to last more than one year such as machinery or major tools.7. Amount paid to subcontractors and copies of 1099NEC forms you provided to them.8. Cost of Supplies9. Cost of office supplies10. Taxes and License cost11. Continuing education costs12. Legal and Professional fees13. Cost of services14. Costs to rent equipment15. Costs to rent vehicles16. Repairs or Maintenance costs17. For overnight travel:<ul style="list-style-type: none">A. Hotel costsB. Rental vehicle costC. # of nights away from home (may be broken down by location if some of them were in high cost areas)D. Plane, train, etc. ticket costE. Tips, tolls and other miscellaneous expenses18. Cost of meals with clients, employees or contractors19. Discuss Office in Home with your Tax Pro and provide requested information20. The cost of health insurance you pay for if you can't get it from an employer of you or your spouse21. A list of any other ordinary and necessary expenses for the business such as postage22. Date and amount for all Estimated Tax Payments.23. If your Tax Pro didn't prepare the prior year's return, they need a copy of it and may need additional information such as a depreciation schedule and information on prior year losses and elections. Any Tax |
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	<p>Pro worth their salt will have a good discussion or email with you to discuss the nature of your business to help you provide the best information possible to get the best result..</p> <p>* A discussion with your Tax Pro about the details of these categories during the first couple years of your relationship will help you understand what is and is not deductible. Early in the relationship you should separate expenses that have some doubt as to their deductibility and provide them separately from totals.</p>
Start a Business	Review the Ongoing Business section and talk to a Tax Pro early in your business formation process to talk about record keeping, estimated taxes and business entities.
Driver for UBER/Lyft	<ol style="list-style-type: none"> 1. They will send you a 1099NEC, a 1099MISC (maybe) and a tax statement. 2. Your Tax Pro needs all of these. They also need a total of miles driven, which should be much larger than the miles on the company's report since it only includes ride miles. KEEP a MILEAGE LOG 3. Unusual vehicle expenses specific to ridesharing such as seat covers, steering wheel covers, rubber floor mats, barriers, phone mount. Most normal costs such as car washes, maintenance and gas are included with the mileage rates. 4. Cost for your cell phone bill and percentage used for business 5. Supplies for your customers 6. Talk to your Tax Pro about business use of home. 7. Other expenses from the Ongoing Business section, though many won't apply to you.
Made Estimated Tax Payments	Date and amount of each payment (one should be in January of the subsequent year)
Exercise Stock Options with a Cashless Method	In this case they are reported on your W-2 but you will still receive a 1099B that your Tax Pro needs
Receive Stock Options	<ol style="list-style-type: none"> 1. 1099B form if any sold 2. Form 3921 and/or 3922 if received 3. A tracker that includes the dates, amount of shares and dollar value for all shares you received and dates they are allowed to be sold. This list can have lots sold in prior year's removed and should indicate which lots were sold in the current year. <p>*In many cases this is overkill, but it is still a good idea to create this kind of record and provide it to your Tax Pro</p>

Get a State Refund or Rebate	This might be taxable if you itemized in the year the refund is for. If you use the same Tax Pro or software, a regular refund will be handled automatically but if you change tax preparation methods
Getting a Weird Form	Duh, give it to your Tax Pro 😊
Receive or Pay Alimony	If the divorce was finalized after 12/31/2018 there is no impact on taxes. If it was before, your Tax Pro needs the date of the divorce, the amount paid or received during the year, and the name and Social Security Number of the other party.
Winning Lottery or Gambling	<ol style="list-style-type: none"> 1. W-2G Form(s) 2. Win/Loss Statement if available from the casino or sports book 3. A Win/Loss record maintained by you that documents how much you won or lost while gambling 4. The cost of lottery tickets that you can substantiate <p>*If you itemize, you can deduct gambling losses up to the amount of your winnings.</p>
Paid Back Income that was Already Included on a Tax Return	<p>This could be wages such as bonuses or recruitment pay that had strings, incorrect amounts of Social Security/Retirement, or Military pay or bonuses taken back. This process only matters if you pay back more than \$3000 in a single year. In this case you can recoup the taxes paid.</p> <ol style="list-style-type: none"> 1. The amount taken back in the current year 2. The total amount paid back in prior years 3. The tax return for the year the pay was originally received.
Paid for Jury Duty	The total amount received for Jury duty
Received a Bonus or Referral Fee	They should provide a 1099MISC Form which your Tax pro will need
Received Lawsuit Settlement or Judgement (consider having your tax pro and lawyer talk before finalizing a settlement to get the best tax advantage possible)	<ol style="list-style-type: none"> 1. 1099MISC or total amount received 2. The settlement documents 3. A breakdown of what the settlement payment covered (lost pay, pain and suffering, medical expenses etc.) <p>*How much of a lawsuit payment is taxable depends on a variety of factors so the more details you and your lawyer can provide, the better.</p>
Made Money from a Hobby	Total received – there are no deductions. Talk to your Tax Pro about making it a business if possible
Get Insurance from the ACA Marketplace	You should get a 1095A which MUST be on your taxes or the IRS will send you a letter before you can get your refund
Have a Child in Daycare	1. Daycare provider statement – or:

