

**Albert Lea Tax Service**  
 502 S Broadway Ave  
 Albert Lea, MN 56007  
 507-377-1625

# Albert Lea Tax Service

Tax Preparation, Bookkeeping & Payroll Services  
 2020

### Contact Us:

502 S Broadway Ave  
 Albert Lea, MN 56007  
 Phone: 507-377-1625  
 Fax: 507-373-5316

[mail@altaxservice.com](mailto:mail@altaxservice.com)

### Office Hours:

February 1 – April 15, 2020  
 Mon-Fri: 8am to 6pm  
 Sat: 8am to Noon

### Need a Worksheet?

Visit our website at  
[www.altaxservice.com](http://www.altaxservice.com) to  
 download worksheets, stop  
 in our office to pick one up,  
 or request one be sent.

### Deadline Dates For 2020:

Form w-2 & w-3:  
 January 31, 2020

Form (1099-Misc)  
 non-employee compensation:  
 January 31, 2020

Farmers: If you don't pay your  
 taxes in full by January 15<sup>th</sup>,  
 you must file and pay by  
 March 1, 2020

Partnerships (Form 1065):  
 March 16, 2020

Corporations (Form 1120):  
 March 16<sup>th</sup>, 2020

Individuals Tax Returns:  
 April 15, 2020

If you are adding any NEW dependents, we will need their date of birth and social security card.

K-12 EXPENSES	1	2	3
Name of Student			
Grade in May 2019			
Tutoring, Other Academic			
Fees/Tuition			
Type of Class			
<b>Private Instruction</b>			
Piano Lessons - amount			
Name of Instructor/Studio			
Dance Lessons - amount			
Name of Instructor/Studio			
Other			
Name of Instructor/Studio			
<b>Required School Expenses</b>			
Gym Shoes/Supplies			
Calculator/Paper/Pencils/Etc			
Musical Instrument			
Other			
<b>Computer Hardware</b>			
<b>Educational Software</b>			
<b>Private School Tuition</b>			
Name of School			
Amount			

### Day Care Credit

If you have day care expenses, there is a tax credit for amounts paid a provider. You will need the name, address and Social Security number or Federal ID for that provider. If you paid it through the employer in a Flex plan you still need to provide this information on the tax return or flex money becomes taxable.

### Child Care Provider Information

FIN or SS# \_\_\_\_\_  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 Amount \_\_\_\_\_

FIN or SS# \_\_\_\_\_  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 Amount \_\_\_\_\_

Amount paid with Flex Plan \_\_\_\_\_

### APPOINTMENTS:

We are a walk-in tax service and appointments are NOT necessary.

### HOW OUR OFFICE OPERATES:

We operate on a weekly basis. This means you pick up and pay for your tax preparation a week after it is brought in. As a result, we will NOT be taking any clients in after Wednesday, April 8th. However, we can file an extension for you and set a time after April 15<sup>th</sup> for you to have your taxes completed.

### HOW AN EXTENSION WORKS:

Filing an extension for your taxes gives you an additional six months to prepare your return. This means you have until October 15 to file your return.

- An extension **DOES** excuse the late filing penalty and gives you more time to file your tax return.
- An extension **DOES NOT** give more time to pay the tax you owe. The tax you owe is still due on April 15 or on the next business day if it falls on a weekend or holiday. The IRS will most likely assess a late payment penalty and interest charges which accumulate each month that your taxes go unpaid.

If you know you'll be getting a refund, you won't need to worry about paying when you are filing an extension for taxes. If you think or know you'll owe, you should estimate your tax liability and pay the amount due when you file an extension. Keep in mind, filing an extension is not a bad thing. Not paying on time or enough, however, may cost you.

### SECURITY:

With so many large institution security breaches, we have been working hard to avoid being a target. You share a lot of information with us that we are responsible to protect. We've changed equipment, monitor our network, trained to spot and avoid potential threats, and changed processes to be more secure. We have made one change that will affect many of you.



### We are no longer accepting email attachments.

First, it is not a secure way to send a document with private information. More importantly, it is the primary way that hackers attempt to access networks and we feel it is important to not trust attachments from anyone.

We will direct you to create an account with SecureFilePro and send us any electronic documents through your SecureFilePro account where it can be securely shared with us. To set up an account please contact our office and we will e-mail you a link to set up your username and password. Once you have an account you will be able to access SecureFilePro through our website.

**Ongoing requirements for claiming child related credits:**

We are required by the IRS to verify residency with you every year through documentation linking the child to your address. For those of you with child related credits, for instance, the American Opportunity, Earned Income, and Child Tax Credits. Some acceptable forms are school records, healthcare statement, medical records, childcare provider, social services records or place of worship statement to verify the residency of the child.



**Ongoing requirements to prove Head of Household filing status:**

Head of household is a filing status for single or unmarried taxpayers who have maintained a home for a qualifying person, such as a child or relative. In order to file as head of household, you must have paid more than half the cost of maintaining a household for the year. We are required by the IRS to verify you have records and documentation to support your filing status every year. Acceptable forms include rent paid, mortgage interest, real estate taxes, insurance on the home, property taxes, repairs, utilities and food eaten in the home.

**Post-2018 alimony agreements:**

There is no change in the federal income tax treatment of alimony and separate maintenance payments that are required by divorce agreements executed before 2019. As such, alimony payers take a deduction while alimony recipients include the payment in income post-2018.

Alimony Received: \_\_\_\_\_  
 Alimony Paid: \_\_\_\_\_  
 Paid to name: \_\_\_\_\_  
 Paid to SS#: \_\_\_\_\_

However, for any divorce or separation agreements executed in 2019 and later years, alimony will no longer be reported on the tax return. This is also the case for prior agreements later modified to state that the new rules apply.

**Gift Tax**

If you gave MORE than \$15,000 in cash, property or gifts to anyone, you must report the gift on Form 709. If you are married, you can give a combined \$30,000 to an individual.

**Did You Sell Your Home In 2019?**

If you owned and lived in the place for two of the last five years before the sale, you can exclude a gain of \$250,000 single or \$500,000 married and pay no tax on that amount.

In certain cases, you can treat part of your profit as tax-free even if you don't pass the two-out-of-five years tests. A reduced exclusion is available if your sell your house.

You generally need to report the sale of your home on your tax return if you received Form 1099-S or if you do not meet the requirements for excluding the gain on the sale of your home

**Affordable Care Act**

Even though the individual penalty is eliminated beginning with tax year 2019 returns filed in 2020, taxpayers will continue to receive Forms 1095-A, 1095-B, and 1095-C with information about their coverage. Taxpayers should keep these forms with their tax returns. Taxpayers who purchased coverage through the Marketplace will continue to use information reported on Form 1095-A to calculate the premium tax credit; taxpayers who received an advance premium tax credit are required to reconcile information from Form **1095-A** on their tax returns.

**Credit or deduction for contribution to 529 College Savings Accounts:**

Individuals who contribute to a qualified Section 529 College Savings Plan (contributions to any states 529 plan qualify) can take either a subtraction against their Minnesota taxable income or a tax credit.

If you meet certain income guidelines, you may be eligible for a nonrefundable credit. The credit is a maximum of \$500 or 50% of contributions made during the year. This credit phases out for taxpayers with an Adjusted Gross Income between \$75,000 and \$100,000 (\$75,000 and \$160,000 MFJ).

If you don't meet the income guidelines for the credit (or it is substantially phased out), then you will be eligible for a subtraction from your taxable income up to \$1,500 (\$3,000 for married couples filing joint returns). You are not able to take both the credit and subtraction.

529 Plan Trustee \_\_\_\_\_  
 Account # \_\_\_\_\_  
 2019 Contribution \$ \_\_\_\_\_  
 2019 Distribution \$ \_\_\_\_\_  
 Room & Board \$ \_\_\_\_\_

**What should I bring with me to have my taxes prepared?**

Picture ID – if renewed since last tax filing  
 Social Security card - for any new persons on return  
 Birth date – for any new persons on return

**Bank routing and account number if you want refunds direct deposited:**

Bank: \_\_\_\_\_  
 Routing: \_\_\_\_\_  
 Acct: \_\_\_\_\_  
 \_\_\_\_\_ Checking    \_\_\_\_\_ Savings

**Income statements or forms:**

- Wages from each job (Form W-2)
- Interest (Form 1099-INT)
- Dividends (Form 1099-DIV)
- Sale of stock (Form 1099-B)
- Retirement Plan (Form 1099-R)
- Gambling Winnings (Form W-2G)
- Unemployment (Form 1099-G)
- Social Security Benefits (Form SSA)
- Miscellaneous income (Form 1099-MISC)
- Statements showing income from other sources:
  - Supplemental Security Income (SSI)
  - Minnesota Family Investment Program (MFIP)
  - Minnesota Supplemental Aid (MSA)
  - General Assistance (GA)
  - Veteran's benefits
  - Workers' compensation



**Tuition expenses you paid to attend (Form 1098-T)**

	First 4 years	Taxpayer	Spouse	Child	Child
Hope/American Opportunity Credit					
Tuition					
Books/Supplies (need receipts)					
Grants/Scholarships					
	After 4 years	Taxpayer	Spouse	Child	Child
Lifetime Credit					
Tuition					
Grants/Scholarships					

**Interest statements for student loans (Form 1098-E)**

	Taxpayer	Spouse	Dependent
Student Loan Interest			

**IRA Contributions**

Max limit: \$6,000  
 \$7,000 for 50 or older

	Taxpayer	Spouse
Traditional		
Roth		

**Health Savings Account (Form 1099-SA)**

Max limit: Self/\$3,500 and Family/\$7,000  
 Additional \$1,000 for 55 or older

	Taxpayer	Spouse
Distribution (form)		
Contribution		

**Teacher, counselor, principal, aide, or instructor K-12**

Classroom Expense Deduction (\$250 Maximum)	Taxpayer	Spouse

- Itemized deductions - complete enclosed worksheet
- Daycare expenses – complete back page
- K-12 Expenses – complete back page
- Health Coverage Statements (Forms 1095-A)
- Renters: Certificate of Rent Paid (CRP)
- Homeowners: Statement of Property Tax Payable (mailed by the county the end of March 2020)
- If filing Head of Household, bring at least one acceptable form to support your filing status
- If claiming child related credits, bring at least one acceptable form to support residency of each child

**Estimated taxes you paid**

	Date Paid	Federal	State
<b>Applied from prior year</b>		\$	\$
1 <sup>st</sup> Quarter/April	/19	\$	\$
2 <sup>nd</sup> Quarter/June	/19	\$	\$
3 <sup>rd</sup> Quarter/Sept	/19	\$	\$
4 <sup>th</sup> Quarter/Jan	/20	\$	\$

*There may be penalties and/or interest charged if you owe the IRS more than \$1,000 or the state more than \$500 after January 15, 2020. To reduce or eliminate charges you can send estimates by January 15, 2020.*

Questions/Notes: \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_