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*Your* **ULTIMATE**  
**TAX** PREP COMPANION  
A Guide to Filing with Confidence

CREDENCE TAX SERVICES LLC

# Your **ULTIMATE** TAX PREP COMPANION

## A Guide to Filing with Confidence

02

### Understanding This Service Guide

Every tax return tells a story—yours. Whether you've taken on new responsibilities, earned extra income, or dealt with major expenses, this questionnaire is here to help you organize it all. By reflecting on your year, you can ensure nothing gets overlooked and that you're ready to file with confidence and ease.

*Veronica L. Younger, E.A.*



### What's Included

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##### Start With The Basics

Start your tax prep journey by gathering the essentials. From Social Security numbers and bank account details to dependent documentation, this section ensures you're equipped with the foundational items needed to file confidently and avoid delays.



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##### Take a moment to reflect on all the ways you earned income this year.

Take a closer look at every way you earned income this year—employment, freelancing, investments, rental properties, and more. By carefully organizing and documenting these streams, you'll ensure compliance and unlock potential deductions tied to each source.

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##### Revisit all the ways you used your money this year—it all adds up.

Explore how your big expenses—childcare, education, medical costs, charitable contributions, and homeownership—can translate into valuable deductions or credits. This step helps you identify the expenses that reduce your taxable income or provide direct tax savings.

# Step 1 : *Start* WITH the Basics

## **Before diving into the details, let's make sure you've got the essentials:**

- Do you have your Social Security numbers?
- Have you gathered birth dates for everyone on your return?
- Do you have your driver's license or state ID handy?
- Do you have your bank information (routing and account numbers) for direct deposit or electronic payments?
- Have you received an Identity Protection PIN from the IRS in previous years due to identity theft?

## **If you're claiming dependents, you'll need to prove their eligibility with the right documentation:**

- Social Security numbers or TINs for each dependent.
- Can you provide proof of relationship, such as birth certificates, adoption papers, or court orders?
- Do you have proof of residency for your dependents, like school or medical records, or a lease agreement showing they lived with you for at least six months?
- Can you show proof of financial support, like receipts for childcare, medical expenses, or bank statements showing you provided more than half their support?
- Have you calculated the earned and unearned income for any dependents?
- Unearned income includes taxable interest, dividends, capital gains, rents, royalties, taxable Social Security or pension benefits, and IRA distributions.
- Earned income includes wages, salaries, tips, and payments for personal services.
- If you're claiming a child you don't have custody of, do you have a signed Form 8332 (Release/Revocation of Claim to Exemption for Child by Custodial Parent)?

# Step 2 :

Take a **moment**  
to *reflect* all the ways  
**you earned income this year.**

Every dollar earned matters when filing taxes. Consider these questions:

## Employment Income

- Have you received all Form W-2s from your employers? Remember, employers must send these by January 31.
- Did you receive tips or household employee wages not reported on a W-2? Ensure these are accounted for.

## Investment Income

- Did you receive Form 1099-INT for interest income?
- Have you received Form 1099-DIV for dividends from stocks or mutual funds?
- Have you received Form 1099-B for sales of stocks, bonds, or cryptocurrency? Ensure you have documentation of your cost basis and sales proceeds.

## Retirement Income

Did you receive Form 1099-R for any of the following events?

- Withdrawn distributions from a 401(k) or 403(b)?
- Withdrawn from a traditional IRA, Roth IRA, SEP IRA, or SIMPLE IRA?
- Received Pension/Annuity Payments
- Disability Payments
- Received Annuity Payments
- Rollovered funds between retirement plans
- Inherited retirement or pensions?
- Failed retirement loans

## K-1 Income

- Are you a partner in a partnership, shareholder in an S Corporation, or beneficiary of a trust or estate? If so, have you received your Schedule K-1?
- Have you reviewed the K-1 for income, deductions, and credits allocated to you?

## Misc Income

- Did you receive Form 1099-G for unemployment benefits or state refunds?
- Have you received Form W-2G for winnings and tracked your losses?
- Have you received Form 1099-C for any canceled debt?

## Self-Employment and Freelancing

- Have you received Form 1099-NEC for nonemployee compensation from contract jobs or freelance work?
- Did you receive Form 1099-K for payments processed through platforms like PayPal or Venmo?
- Have you kept sales records, cash deposit details, and expense receipts for all ordinary and necessary business expenses incurred such as advertising, supplies, equipment, meals, travel, etc.?
- Have you maintained a mileage log if claiming vehicle-related expenses?
- Have you maintained a travel log for all business related traveling?
- Have you maintained a meal appointment log if claiming business-related meals?
- If working from home, have you measured your home office space and gathered utility bills?

### Have you prepared:

- Income Statements (Profit and Loss Statements) summarizing revenue, costs, and expenses for the year?
- Balance Sheets detailing assets, liabilities, and equity?
- Cash Flow Statements showing cash inflows and outflows?
- Payroll Records (if you have employees), including wages, benefits, and employer taxes?
- Fixed Asset Registers tracking depreciation schedules?

## Real Estate Sales

- Have you received Form 1099-S for proceeds from real estate sales?
- Have you maintained a capital improvement log?
- Do you have closing statements?

## Rental Income

- Did you receive Form 1099-MISC for rental income? · Reports rents received but not reported on 1099 MISC forms
- Can you document the number of days the property was rented versus personal use?
- Have you tracked expenses like capital improvements, repairs, advertising, property management fees, utilities, etc?

## Qualifying as a Real Estate Professional

- Do you have daily or weekly logs documenting hours worked, tasks performed, and the type of activities?
- Have you kept supporting documentation, such as contracts, leases, emails, meeting notes, or correspondence demonstrating your active involvement in real estate activities?

# Step 3: *Revisit* ALL THE WAYS YOU USED your money this year— it all adds up

Big expenses can mean big savings. These are some key areas to explore:

## Childcare Costs

- Do you have a Childcare Provider Statement with the provider's name, address, TIN, and the amount paid daycare, after-school programs, or babysitting?
- 529 Plan Contributions: Have you saved receipts for contributions to education savings accounts?

## Education Expenses

- Have you received Form 1098-T for tuition payments?
- Do you have receipts for textbooks, supplies, and necessary equipment?
- Have you received Form 1098-E for student loan interest?

## Homeownership Costs

- Have you received Form 1098 detailing mortgage interest paid?
- Do you have proof of state and local property taxes paid?
- Do you have receipts for energy-saving upgrades, such as solar panels or new insulation?

## Adopted a child?

Do you have receipts for legal, medical, and travel costs related to the adoption? Have you tracked employer reimbursements?

## Charitable Contributions

- Have you collected acknowledgment letters for donations over \$250?
- If donating property valued over \$5,000, do you have an appraisal?
- Have you kept a mileage log for volunteer work?
- If donating a motor vehicle, boat, or airplane, have you received a Form 1098-C?

## Medical costs

- Have you saved receipts and statements for out-of-pocket medical and dental costs?
- Have you tracked lodging expenses while traveling for medical care?
- Do you have a mileage log for medical travel?

## Health Insurance Details

- Bought insurance on the Marketplace? Grab 1095-A to reconcile your premium tax credit.
- Covered through work or a private plan? You might receive 1095-B or 1095-C.
- Paid out-of-pocket for health insurance? Include receipts, especially if you're self-employed.

## Don't Forget Estimated Tax Payments



# Ready to File *Your Taxes?*

If you've got a clear vision and are eager to kickstart your project, let's dive in!

Book a discovery call or email us directly  
[WWW.CRENCETAXSERVICES.COM](http://WWW.CRENCETAXSERVICES.COM)

If you're still in the exploration phase or have more questions, no worries at all.

Send any questions you have at: [info@credencetaxservices.com](mailto:info@credencetaxservices.com)