
2018 TAX ORGANIZER

It's tax time again and I hope that 2018 has been a happy and prosperous year for you and your family. The New Tax Law went into effect in January 2018 and many of you saw an increase in take-home pay because the Federal withholding was changed, probably lowered. The IRS has never provided instructions or a system as to how the new withholding was calculated. Basically all tax brackets have been reduced across the board by 2-3%. My hope is your taxes are less in 2018.

Enclosed is your annual organizer for your 2018 taxes. It's been an interesting year with a few important tax changes that will impact you. Although many Federal deductions available for 2017 may not be available for 2018, they may still be deductible for the state due to California non-conformity with the Federal Tax Cuts and Jobs Act (the largest tax change in 30 years. It very well may be the case for 2018 that you will use the standard deduction for Federal Tax purposes and itemize for the state. The new standard deduction in 2018 is \$24,000 (MFJ), \$18,000 (HOH), and \$12,000 for (S/MFS), about double over 2017. Therefore, please provide the same information as you provided for 2017. There are also a significant number of business non-conformities from Federal and State that we can discuss upon our meeting.

Here are some of the changes and issues you need to know about:

The "Big Stuff" personal exemptions are gone, standard deductions have increased, alternative minimum tax is reduced or eliminated, itemized deductions have large changes in areas of how interest deductions are allowed/calculated and state and local taxes (SALT) are limited to \$10,000 combined. Miscellaneous deductions for the most part are also eliminated. A big positive is a tax credit for children under 17 years of \$2,000 each, which in most part offsets the loss of personal exemptions for families with children. Many phase-outs are eliminated on such items as exemptions, itemized deductions, IRA limits and child care credits. What we call the "kiddie tax" is changed significantly, no longer added to parents tax return with the first \$1,050 is free. Stiffer rules have been placed on the deduction of the Child Tax Credit, Child Care Credit, Earned Income Credit, Education Credits and Head of Household filing status. Fines on preparers can be as high as \$500 for each item that is incorrect.

There are new limits on both traditional and ROTH IRA's for 2019, \$6,000 plus \$1,000 if over 50 years old. SIMPLE and SEP IRA's allow \$12,500 plus \$3,000 if over 50, SEP IRA max is \$56,000, 401(k), 403(b) and 457 plan deferral is \$19,000 plus \$6,000 if over 50 years old. Make adjustments early with your employer to get the greatest benefit.

PLEASE REMEMBER: THE YEAR YOU TURN 70 ½ YEARS OLD, AND THEREAFTER YOU MUST MAKE A WITHDRAWAL FROM ANY TYPE OF DEFERRED RETIREMENT PLAN or RMD.

Remember tax return due date changes: Beginning two years ago, for federal and California tax purposes, the due dates for partnership and C corporation returns changed. Please remember the new return due dates:

- Partnerships must file returns by the 15th day of the third month following the close of the taxable year (March 15 for calendar-year taxpayers);

- **NEW** C corporation returns are generally due by the 15th day of the fourth month following the close of the taxable year (April 15 for calendar-year taxpayers);
- S corporation returns will remain due by the 15th day of the third month of the taxable year (March 15 for calendar-year taxpayers); and
- W-2s and 1099s must be filed by January 31, 2019, for the 2018 year.

Identity theft: Tax refund fraud and identity theft are an increasing problem. Please remember these tips:

- The IRS does not call you about collection or balances due. In fact, the IRS will generally only call if you are working with an employee on an audit or other issue. If you get one of these calls, hang up immediately; and
- If you receive an official looking bill for a small amount — maybe \$200 or so. You decide it's easier to just pay the bill than to contact our office about it. Please let us know any time you receive correspondence from the IRS or the State of California. In the most recent fraudulent letters, you are told to make out a check to "I.R.S." rather than to "United States Treasury;" and the return address does not match the processing center address posted on the IRS website.

Property transactions: Did you sell any real estate this year? Be sure to provide copies of escrow statements, as well as the Loan Estimate form, the Closing Disclosure form, and California Form 593, Real Estate Withholding Tax Statement. We need these documents to properly prepare your return. If you can get them to us as early as possible, we can make sure we have everything we need, and that any state withholding documentation is correct.

Bitcoin and other virtual currencies: With the rapid fluctuation in value of virtual currencies and the recent ability to trade Bitcoin futures, the IRS is placing special scrutiny on these transactions. Please advise whether you have bought, sold, sent, or received any virtual currencies in the last few years.

1099s and K-1s: If you received 1099s or K-1s from investments in 2018, we may extend your return in case these documents are corrected after the original filing deadline. We are seeing increasing numbers of corrected information returns, which require taxpayers to amend their original tax returns to reflect the corrected amounts. In some cases, the amounts are vastly different and can create additional costs in amending the tax returns and potential penalty problems.

Foreign accounts: We must report overseas assets owned by businesses as well as individuals. So, the reporting requirements are increasing and the penalties for failure to report continue to be harsh. Not all foreign holdings must be reported. If, for example, you hold stock in a foreign company through a U.S. broker, those holdings do not have to be separately reported. However, if you hold any other types of foreign assets, including bank accounts and securities accounts, please let us know. If you have any doubt as to whether any of your assets are foreign, please discuss those assets with us. Again, this year we will need information on a business' foreign holdings as well.

Please take extra care in preparing your organizer and documentation so we can do the best possible job to find new tax benefits that are hidden in the law and protect you from more aggressive audit programs and larger penalties. After you have completed your questionnaire worksheet, please give me a call to schedule an appointment.

If you are a new client, please complete the attached “2018 Client Information Worksheet – Individual” in its entirety. Please bring a copy of your last 2 tax returns (2016 & 2017) form 1040 as well as a Photo ID for you and your spouse if filing Married Jointly.

Yours truly,

Terry Scanlan, EA
NTPI Fellow®
C: 562-209-6218
ARDENT Tax & Accounting Services
6528 Greenleaf Avenue, Ste. 118
Whittier, CA 90601

P.S. Let’s try to file your return as early as possible so you can get your refund quickly!

PRIVACY POLICY

The nature of our work requires us to collect certain nonpublic information. We collect financial and personal information from applications, worksheets, reporting statements and other forms as well as conversations and interviews with clients and affiliates. ARDENT Tax Services has procedures and policies in place to protect your confidential information. We restrict access to your confidential information to the minimum necessary to prepare your tax returns. We will not disclose your personal information to a third party without your written permission, except as required by law. We maintain physical, electronic and procedural safeguards in compliance with federal regulations that protect your personal information from unauthorized access.

By signing below you are stating the following: 1) I have reviewed the above privacy policy, 2) I have gathered and submitted the information contained in the questionnaire and to the best of my knowledge it is true, correct and complete.

Client sign here

Date

2018 Client Information Worksheet - Individual

The information gathered below is to begin a discussion to obtain the necessary information to file your Federal and State Income Tax Returns. After reviewing your information as submitted below, we will request additional information to complete your returns. **For New Clients please attach a copy of a photo ID for Taxpayer and Spouse.**

Personal Information: Must match your Social Security Card or ITIN						
	First Name	M.	Last Name	SSN/ITIN	Date of Birth	Occupation
Taxpayer						
Spouse						
Dependent 1						
Dependent 2						
Dependent 3						
Dependent 4						
Dependent 5						

Address and Contact Information: Provide Current Address			
Address			Primary Phone
Apartment / Unit #			Second Phone
City			Email
State	Zip		Spouse Email
Provide Foreign Address if O/S U.S.			

Income: Provide legible copies of all income documents			
Wages & salary (W-2 Income)		1099-B (Stock Gain/Loss)	
1099-Int (Interest Income)		Self-Employed Income	
1099-DIV (Dividend Income)		Business (LLC, S-Corp)	
1099-MISC (Business Income)	Attach sole prop. w/s	Rental Income (Sch E)	attach rental w/s
1099-R (Retirement Income)		Unemployment Income	
1099-C (Debt Cancellation)		Paid Family Leave Income	
1099-SA (HAS Distribution)		SSA-1099 (Social Security)	
1099-G (State Tax Refund)		Foreign Interest Inc. in US \$	

Adjustments to Income: Provide Documents			
Traditional IRA (Taxpayer)		Roth IRA Contributed (Taxpayer)	
Traditional IRA (Spouse)		Roth IRA Contributed (Spouse)	
HSA Contribution (Taxpayer)		SEP IRA (Taxpayer)	
HSA Contribution (Spouse)		SEP IRA (Spouse)	
Student Loan Interest paid (1098-E)		Tuition Paid (1098-T)	
Alimony Paid		Other education Expenses	

Medical & Dental Expense: May be deductible if exceeds 10% of AGI			
Insurance Premiums		Hospital / Dentist Co-Pay	
Prescriptions at cost		# Medical Miles Driven	
Eye Care (Glasses, Contacts)		Medical Equipment at cost	
Did you have Full Year Coverage for You, your Spouse and Dependents?			
Provide Form(s) 1095-A, 1095-B, and/or 1095-C			

Taxes Paid: Please provide any documents, such as 1098-I			
Real estate Property Taxes		Prior Year State Tax Payment	
DMV License Fee		Other State & Local taxes	
Foreign Tax Paid (in US\$)		Current Yr. Sales Tax Paid	

Interest Paid: Primary & Secondary Property (Do not include Rental) Please provide any docs		
Homes Located in U.S.	Primary Home	Second Home
Home Mortgage Interest (attach Form 1098-I)		
Points Paid for Loan or Refi (Attach copy of escrow docs)		
Mortgage Insurance Premiums (PMI)		

Interest Paid to a Person or Foreign Bank: Only include Qualified (non-business, non-rental Homes)		
Homes Located Outside U.S.	Primary Home	Second Home
Name of Lending Bank or Person		
Address of Lending Bank or Person		
Interest Paid on Loan in Year in U.S.\$		

Cash or Check Donations: Gifts to charity or qualified religious, educational, scientific or non-profit orgs.

Name of Charity 1		Cash Amount	
Date of Donation		Check Amount	
Name of Charity 2		Cash Amount	
Date of Donation		Check Amount	
Name of Charity 3		Cash Amount	
Date of Donation		Check Amount	
Name of Charity 4		Cash Amount	
Date of Donation		Check Amount	
Volunteer Miles	attach mileage log	Other Charity Travel	

Non-Cash Donations: Salvation Army or Goodwill (attached copy of receipt(s))

Name & Address of Charity 1	
Fair Market Value of Items	
Date of Donation	
Description of items donated	
Name & Address of Charity 2	
Fair Market Value of Items	
Date of Donation	
Description of items donated	
Name & Address of Charity 3	
Fair Market Value of Items	
Date of Donation	
Description of items donated	

Work related Expenses: Specify Taxpayer of Spouse – Only include unreimbursed expenses

Continuing Education		Union Dues	
Book & Supplies		Dry Cleaning / Laundry	
Software & Hardware		Uniforms	
Travel & Education / Training		Job Search	
Parking & Tolls		Business Mileage	attach mileage log
Home Office	attach home office w/s		

Misc. Expense: Identify Taxpayer or Spouse ** Only Unreimbursed Work Related Expenses Incurred**

Legal Fees		Safe Deposit Box Rental	
Casualty & Theft Loss		Tools and Equipment	
Cell Phone & Internet		Investment Expenses	
Work Subscriptions		Gambling Loss (limited to Gambling Winnings)	
		Tax Prep. & Advice Fees Paid	

Child Care Expense: Provide child care SSN if individual and identify which child

Daycare Name 1		TAX ID/SSN (Required)	
Phone Number		Amount Paid in Tax Year	
Address, City, State, Zip		Amt. Reimbursed by Employer (W-2, Box 10)	
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Daycare Name 2		TAX ID/SSN (Required)	
Phone Number		Amount Paid in Tax Year	
Address, City, State, Zip		Amt. Reimbursed by Employer (W-2, Box 10)	

Federal Estimated Taxes paid: Provide date and amount (do not include W-2 withheld)

First Quarter		Fourth Quarter	
Second Quarter		Paid with Extension	
Third Quarter		Late Payments	

State Estimated Taxes: California?: _____ If not, name state: _____

First Quarter		Fourth Quarter	
Second Quarter		Paid with Extension	
Third Quarter		Late Payments	

Bank Account Info: For Direct Deposit

Bank Name	Routing #	Account #	Checking	Savings	Foreign

Below Please Provide Any Additional Information not covered above.

2018 Form 1040 Miscellaneous Questions

If any of the following items pertain to you or your spouse for 2018, please check the appropriate box and provide additional information, if necessary.

PERSONAL INFORMATION	Yes	No
• Did your address change during the year?		
• Did your marital status change?		
• Could you be claimed as a dependent on another person's tax return for 2018?		
• Did you change any bank accounts for direct deposits?		
• Did you pay or receive alimony or spousal maintenance?		
• Did you have income or investment interest in a state other than your resident state?		
• Are there any life events such as separation, divorce, marriage, new children, adoptions and / or disability?		
DEPENDENTS	Yes	No
• Were there any changes in dependents?		
• Were any of your unmarried children who might be claimed as dependents 19 years of age or older (or 24 years or older if full time student) at the end of 2018?		
• Did you have any children under age 19 or full time students under age 24 at the end of 2018, with interest and dividend income in excess of \$1,050, or total investment income in excess of \$2,100?		
• Do you alternate dependents with an ex-spouse for tax purposes?		
• Did any of your children have investment income?		
• Do you have dependents that have or will file a tax return?		
• Did you provide support for any dependents besides your children?		
HEALTH CARE COVERAGE	Yes	No
• Did you and your dependents have health care coverage for the full year?		
• Did you receive any of the following IRS documents? If so, please attach. <ul style="list-style-type: none"> ○ Form 1095-A (Health Insurance Marketplace Statement) ○ Form 1095-B (Health Coverage) ○ Form 1095-C (Employer Provided Health Insurance Offer and Coverage) 		
• If you or your dependents did not have health care coverage during the year, do you fall into one of the following exemptions categories? If you receive exemption certificate, please attach. <ul style="list-style-type: none"> ○ Indian tribe membership ○ Health care sharing ministry membership ○ Religious sect membership ○ Incarceration ○ General hardship or unable to renew existing coverage 		
INCOME	Yes	No
• Did you receive unreported tip income of \$20 or more in any month?		
• Did you cash any Series EE U.S. savings bonds issued after 1989 and pay qualified higher education expenses for yourself, your spouse, or your dependents?		
• Did you receive any disability income?		
• Did you have any foreign income or pay any foreign taxes?		

PURCHASES, SALES AND DEBT		Yes	No
• Did you start a business or farm, purchase rental or royalty property, or acquire an interest in a partnership?			
• Did you purchase or dispose of any business assets (furniture, equipment, vehicles, real estate, etc.), or convert any personal assets to business use?			
• Did you buy or sell any stocks, bonds or other investment property in 2018?			
• Did you purchase, sell or refinance your principal home or second home, or did you take out a home equity loan?			
• Did you make any residential energy-efficient improvements or purchases involving solar, wind geothermal, or fuel cell energy stocks?			
• Did you have any debts cancelled or forgiven?			
• Does anyone owe you money which has become uncollectible?			
RETIREMENT PLANS		Yes	No
• Did you receive a distribution from a retirement plan (401(k), IRA, SEP, SIMPLE, Keogh, Qualified Plan, etc.)?			
• Did you make a contribution to a retirement plan (401(k), IRA, SEP, SIMPLE, Keogh, Qualified Plan, etc.)?			
• Did you transfer or rollover any amounts from one retirement plan to another retirement plan?			
EDUCATION		Yes	No
• Did you receive a distribution from an Education Savings Account or a Qualified Tuition Program?			
• Did you, your spouse, or a dependent incur any tuition expenses that are required to attend a college, university, or vocational school?			
ITEMIZED DEDUCTIONS		Yes	No
• Did you incur a loss because of damaged or stolen property?			
• Did you work away from your resident city or state for part of the year?			
• Did you use your car on the job (other than to and from work?)			
• Did you make any major purchases during the year (cars, boats, spaceships, etc.)?			
• Did you make any out of state purchases and not pay sales tax?			
• Did you pay additional income taxes last year (like a local income tax)?			
• Did you pay your property taxes early?			
• Are you a renter (potential state renters' credits)?			
MEDICAL			
• Did you use HSA or FSA (flex spending) funds to pay for medical expenses?			
• Did you use an HRA reimbursement or any other reimbursement program for medical expenses?			
• Did you use any IRA funds to pay for medical expenses?			
• Did you pay long-term health care premiums for yourself or your family?			
• Did you pay any COBRA health care coverage continuation premiums?			
• Did you pay for the care of someone else (for example, parents)?			
ESTIMATED TAXES		Yes	No
• Did you apply an overpayment of 2017 taxes to your 2018 estimated tax (instead of refunded)?			
• If you have an overpayment of 2018 taxes, do you want the excess applied to your 2019 estimated tax (instead of being refunded)?			
• Do you expect your 2019 taxable income and withholding to be different from 2018?			

MISCELLANEOUS

Yes No

• Do you want to allocate \$3 to the Presidential Election Campaign Fund?		
• Does your spouse want to allocate \$3 to the Presidential Election Campaign Fund?		
• May the IRS discuss your tax return with your preparer (Terry Scanlan)?		
• Did you have an interest in or signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account?		
• Did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?		
• Was you home rented out or used for business?		
• Did you have a medical savings account (MSA), a Medicare Advantage MSA, or acquire an interest in an MSA or a Medicare Advantage MSA because of the death of the account holder? Or, were you a policyholder who received payments under a long-term care (LTC) insurance contract or received any accelerated death benefits from a life insurance policy?		
• Did you receive a distribution from an Achieving a Better Life Experience (ABLE) savings account?		
• Are you a member of the Armed Forces of the United States on active duty who moved pursuant to a military order related to a permanent change of station?		
• Did you engage the services of any household employees?		
• Were you notified or audited by the Internal Revenue Service, CA Franchise Tax Board or other taxing agency?		
• Did you or your spouse make any gifts to an individual that total more than \$15,000, or any gifts to a trust?		

Explanations:
