

# Kaelber, Billmyer & Kaelber, LLC

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PO Box 211  
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Henry V. Kaelber, CPA, CFP, CGMA

Max Billmyer, CPA

Michael H. Kaelber

January 4, 2022

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Dear New Client,

Thank you for considering working with our firm this year. Despite the continuing challenges posed by COVID-19, we hope that the past year was happy and prosperous for you. And, we are looking forward to assisting with your tax compliance.

Last year we announced the formation of Kaelber, Billmyer & Kaelber, LLC, effective as of January 1, 2021, to bring in Max Billmyer and Michael Kaelber as Member partners of the new LLC. This year, we are happy to announce that Steven Skalak is joining our firm on a part-time basis to assist with tax preparation and to help build our firm's intellectual capital.

Steve is a retired Advisory Services Partner from the Forensic Services practice within the New York office of a Big 4 Accounting Firm. He also co-authored A Guide to Forensic Accounting Investigation published by John Wiley & Sons. If you have the opportunity to meet or speak with him this year, you'll find Steve is a very kind and affable person.

Included is an organizer provided to aid in gathering information necessary to prepare your Individual income tax returns. Complete only the items that seem applicable to you. If you have prepared other schedules, please refer to them in the organizer and forward them as well. A fully completed organizer lessens the likelihood of omissions from your tax return.

The Internal Revenue Service (IRS) matches information returns/forms with amounts reported on tax returns. A negligence penalty may be assessed when income is underreported or when deductions are overstated. Accordingly, all information returns reported to the IRS are also mailed to you in an envelope that should be clearly marked "IMPORTANT TAX DOCUMENTS ENCLOSED" and should be submitted with this organizer.

Also included is a Tax Law update as well as our firm's engagement letter. The engagement letter explains the tax preparation and planning services we will provide to you. Each year, we are required to obtain a signed copy in order to provide services to you. Please sign, date and return a copy of the engagement letter and keep a copy for your records.

The filing deadline for your Individual return is 4/15/2022. Your completed tax organizer needs to be received no later than 3/10/2022. Any information received after that date may require an extension of time. The extended filing deadline for your return is 10/15/2022.

**If an extension of time to file is required, any tax that may be due with this return must be paid with that extension. Any taxes not paid by the 4/15/2022 filing deadline may be subject to late payment penalties and interest.**

When you have gathered all your tax information, please return the signed engagement letter, along with your completed organizer and various tax related documentation. Should you have questions regarding any items, please do not hesitate to contact us.

Thank you for allowing us this opportunity to serve you. Also, if any of your friends or associates seeks to work with a CPA firm like ours, please send them our way. Your referrals are greatly appreciated and anyone you send to us will be treated with the utmost respect and courtesy.

Sincerely,

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## What's New That Affects You? A Snapshot of Tax Laws That May Impact Your Return

As we wrap up 2021, like in 2020, this year continued to bring challenges and disruptions that significantly impacted your personal and financial lives – a continued global pandemic, several significant natural disasters, new tax laws and political shifts.

### Key Tax Considerations from Recent Tax Legislation

Many tax provisions were implemented under the American Rescue Plan Act that was enacted in March 2021. This act aimed to help individuals and businesses deal with the COVID-19 pandemic and its ongoing economic disruption. Also, some tax provisions were passed late in December 2020 that will impact this filing season. Below is a summary of the highlights in recent tax law changes to help you:

#### Economic Impact Payments (EIPs)

The American Rescue Plan Act created a new third round of EIPs that were sent to qualifying individuals. As with last year's stimulus payments, the EIPs were set up as advance payments of a recovery rebate tax credit. If you qualified for EIPs, you should have received these payments already. However, if the IRS owes you more, this additional amount will be captured and claimed on your 2021 income tax return.

If you received an EIP as an advance payment, you should receive a **Notice 1444-C** letter and or **Letter 6475** from the IRS. Keep this for record-keeping purposes to help us prepare your returns and determine any potential adjustment.

#### Child Tax Credit

As part of the American Rescue Plan Act, there were many important changes to the child tax credit, such as the credit:

- Amount has increased for certain taxpayers

- Is fully refundable (meaning taxpayers will receive a refund of the credit even if they don't owe the IRS)
- May be partially received in monthly payments
- Is applicable to children age 17 and younger

The IRS began paying half of the credit in advance monthly payments beginning in July – some taxpayers chose to opt out of the advance payments, and some may have complexities that require additional analysis.

If you received the child credit in advance monthly payments, you should receive a **Letter 6419** from the IRS. Keep this for record-keeping purposes to help us prepare your returns and determine any potential adjustment.

### **Charitable Contribution Deductions**

Individuals who do not itemize their deductions can take a deduction of up to \$300 (\$600 for joint filers). Such contributions must be made in cash and made to qualified organizations. Taxpayers who itemize can continue to deduct qualifying donations. In addition, taxpayers can claim a charitable deduction up to 100% of their adjusted gross income (AGI) in 2021 (up from 60%).

### **Required Minimum Distributions (RMDs)**

RMDs are the minimum amount you must annually withdraw from your retirement accounts (e.g., 401(k) or IRA) if you meet certain criteria. For 2021, you must take a distribution if you are age 72 by the end of the year (or age 70½ if you reach that age before Jan. 1, 2020). Planning ahead to determine the tax consequences of RMDs is important, especially for those who are in their first year of RMDs.

### **Unemployment Compensation**

Another thing to note that's different in 2021 is the treatment of unemployment compensation. There is no exclusion from income. The \$10,200 income tax exclusion that a taxpayer may have received in 2020 is no longer available in 2021.

### **Self-Employed Individuals and Household Employers that Deferred 2020 Social Security Tax Need to Pay Up.**

The Coronavirus Aid, Relief, and Economic Security Act allowed self-employed individuals and household employers to defer the payment of certain Social Security taxes on their Form 1040 for tax year 2020 over the next two years. Self-employed individuals include sole proprietors and individuals receiving K-1s from a partnership return.

In the past, these types of tax breaks would be reconciled and paid in the subsequent tax year returns. And these payments were factored into the taxpayer's estimated payments. However, in July of 2021, the IRS issued unofficial guidance on their website that half of the deferred Social Security tax is due by December 31, 2021, and the remainder is due by

December 31, 2022. The IRS also indicated that the repayments are to be made separately and indicate “2020 deferred Social Security Tax” on the payment.

The IRS issued Notice CP56V, dated November 15, 2021, to taxpayers who deferred the payment of these Social Security taxes on their Form 1040 for tax year 2020 invoicing the payment due December 31, 2021. This invoice also indicated that “failure to pay by the due date may result in interest and failure to pay penalties”.

For taxpayer’s that have not already done so, we recommend following the unofficial guidance and make this payment as soon as possible. If the IRS assesses penalties and interest, we will be happy to assist in requesting to get the penalties and interest abated. However, we do not expect the abatement request process to be resolved quickly as the IRS is significantly behind in opening and processing mail.

### **IRS Still Hasn’t Resolved Its Backlog of Mail**

In recent discussions with the National Taxpayer Advocate, the IRS indicated that it doesn’t have the manpower to clear its backlog of unprocessed returns any time soon. As of late November 2021, the IRS indicated that 6.5 million 2020 individual tax returns and 2.6 million amended returns filed on Form 1040-X still needed to be processed. We think those numbers are significantly higher. The IRS claims that staffing issues, the COVID pandemic and a heavier workload contribute to the delay. The IRS did not release statistics of the amount of unopened responses to taxpayer responses for tax notices received which we speculate are greater than the number of 2020 individual tax returns unprocessed.

### **State Tax Obligations Related to Teleworking Arrangements**

The pandemic has spawned changes in how people work, and more people are permanently working from home (i.e., teleworking). Such remote working arrangements could potentially have tax implications that should be considered by you and your employer.

### **Fraudulent Activity Remains a Significant Threat**

Our firm takes data security seriously and we think you should as well. Fraudsters continue to refine their techniques and tax identity theft remains a significant concern. Beware if you:

- Receive a notice or letter from the IRS regarding a tax return, tax bill or income that doesn’t apply to you
- Get an unsolicited email or another form of communication asking for your bank account number, other financial details or personal information
- Receive a robocall insisting you must call back and settle your tax bill

Make sure you’re taking steps to keep your personal financial information safe. Let us know if you have questions or concerns about how to go about this.

## **Virtual Currency/Cryptocurrency**

Virtual currency transactions are becoming more common. There are many different types of virtual currencies, such as Bitcoin, Ethereum and non-fungible tokens (NFTs). The sale or exchange of virtual currencies, the use of such currencies to pay for goods or services, or holding such currencies as an investment, generally has tax impacts. Please make sure to let us know about any 2021 transactions you may have had using virtual currency.

## **Standard Deduction**

For 2021, those filing single or as married filing separately will see a standard deduction of \$12,550 while those filing jointly will see a deduction of \$25,100. The standard deduction is \$18,800 for taxpayers filing as head of household.

## **Tax Laws Affecting Higher-Income Taxpayers**

- Taxpayers are subject to an additional 0.9% Medicare surcharge on wages and self-employment income in excess of: \$200,000 for Single and Head of Household filers; \$125,000 for Married Filing Separately filers; \$250,000 for Married Filing Jointly filers.
  - If a couple's combined income exceeds \$250,000, it's possible that no Medicare surtax was withheld if each spouse individually earned less than \$200,000.
- Taxpayers are subject to an 3.8% net investment income tax (NIIT) on a broad range of income sources such as interest, dividends, capital gains, rental and royalty income, non-qualified annuities and passive business revenue. It affects individuals, estates and trusts above certain income levels.
  - Taxpayers are subject to NIIT if their modified adjusted gross income (MAGI) exceeds: \$200,000 for Single or Head of Household filers; \$125,000 for Married Filing Separately; and \$250,000 for Married Filing Jointly filers.

## **Long-Term Capital Gain (LTCG) Rates**

- 0% if taxable income for: Single filers up to \$40,400; Married filing jointly up to \$80,800; Head of household up to \$54,100
- 15% if taxable income for: Single filers \$40,401 to \$445,850; Married filing jointly \$80,801 to \$501,600; Head of household \$54,101 to \$473,750
- 20% if taxable income for: Single filers \$445,850+; Married filing jointly \$501,600+; Head of household \$473,750+

## **Estate And Gift Tax**

- Gift tax exclusion: \$15,000 per taxpayer, per person gifted in 2021 (\$16,000 in 2022).
- Estate tax lifetime exemption: \$11.7 million per taxpayer in 2021 (\$12.06 million in 2022)

## **Additional Tax and Retirement Planning Considerations**

Make the most of tax-advantaged retirement saving options, such as traditional IRAs, Roth IRAs and company retirement plans. It's also advisable to take advantage of health savings accounts (HSAs) that can help you reduce your taxes and save for your future.

## **What Does It Mean If We Advise That Your Returns Need to Be Put on Extension?**

### ***What Does Filing An “Extension” Do?***

- An extension is a form filed with the IRS to request additional time to file your federal tax return. The extension period is generally six months, which extends the due date for submitting your individual return. In some states, filing an extension with the IRS will automatically extend the time to complete a gift tax and state income tax return.
- Filing an extension grants you additional time to submit your complete and accurate return, but you still need to estimate whether you will owe any taxes and pay that estimated balance by the original due date.
- Extending your return allows you and us more time to prepare your tax return to ensure the filing of an accurate tax return. In many cases, you may still be waiting for additional information (e.g., Schedules K-1, corrected Forms 1099, etc.) to complete your return.

### ***Why Might We Suggest Extending Your Tax Return?***

- If we have recommended that you file an extension, it may be due to many reasons, such as:
  - The volume of data or complexity of certain transactions (e.g., sale of a rental property) on your return requires additional time.
  - The amount of time remaining in filing season is limited for us to complete client returns by the due date resulting from late-arriving information.
  - Many CPAs have a “cutoff” or deadline for clients submitting their tax information so they can plan their workload to ensure all client returns and extensions are completed by the due date. We are no different.
- We may also suggest filing an extension if there are aspects of your return affected by pending guidance or legislation.

### ***Are You More Likely to Be Audited If You Extend?***

- Extending will NOT increase your likelihood of being audited by the IRS.
- It is better to file an extension than to file a return that is incomplete or that you have not had time to carefully review before signing.

### ***What Are the Primary Benefits Of Extending My Tax Return?***

- It provides for additional time to file returns without penalty when you are waiting for missing information or tax documents (such as corrected Forms 1099). Just remember that an extension provides additional time to file, but no additional time to pay. Penalties may be assessed if sufficient payment is not remitted with the extension.
- You may qualify for additional retirement planning opportunities or additional time to fund certain types of retirement plans (e.g., SEP IRA).
- It is often less expensive (and easier) to file an extension rather than rushing and possibly needing to amend your return later.

***Should You Do Anything Differently If Filing an Extension Or “Going On Extension?”***

- No, you still should give us whatever information you have as early as possible or as soon as it becomes available.
- Expect to pay any anticipated taxes owed by the due date. You still need to submit all available tax information to us promptly so we can determine if you will have a balance due or if you can expect a refund.
- If you are required to make quarterly estimated tax payments, individual first quarter estimated tax payments are due April 15. We may recommend that you pay the balance due for last year and your first quarter estimated tax payment for this year with your extension.
- If you are anticipating a large refund, we will likely try to get your extended return completed as soon as possible once all tax information is available. We may also want to discuss tax planning opportunities with you so that, in future years, you don't give the IRS an interest-free loan.

***Is There Anything You Can Do to Avoid Filing An Extension If You Know You Are Missing Some Information Now?***

If you know you will be waiting until the last minute for one or two documents, you may be able to minimize the chance of having to file an extension by providing all other available documents to us as soon as you receive them. By doing so, we can prepare a draft return for you to review and discuss in advance. And we may be able to add the missing piece of data or last-minute information and complete your returns by the original due date.

Sincerely,

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Dear New Client,

Kaelber, Billmyer & Kaelber, LLC appreciates the opportunity to work with you to provide the professional services described below. Before we may provide any services for you for the 2021 tax year, we are required to obtain a signed copy of this engagement letter. This letter outlines and confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

For the purposes of this engagement letter, any reference to “firm,” “we,” “us,” or “our” is a reference to Kaelber, Billmyer & Kaelber, LLC, and any reference to “you,” or “your” is a reference to the party or parties that have engaged us to provide services. References to “Agreement” mean the engagement letter or other written document describing the scope of services, any other attachments incorporated therein.

### **Engagement Objective and Scope**

Your federal and applicable state Individual Income Tax Return(s) (the “Return(s)”) for the 2021 tax year will rely upon the completeness and accuracy of the information and representations that you provide us to prepare the Return(s). In the tax preparation process, we may organize your information for the purposes of preparing your Return(s). However, we are not being engaged to and will not prepare formal financial statements. In addition, we will not audit or independently verify the data you submit, although we may ask you to clarify some of the information given.

Your Return(s) will be prepared solely for filing with the Internal Revenue Service (“IRS”) and applicable state and local tax authorities. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose. As such, we will not respond to any request from banks, mortgage brokers or other lenders for verification of any information reported on the Return(s). **We do not communicate with third parties or provide them with copies of tax returns.**

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the Return(s) for any purpose other than filing with the IRS, state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

Our engagement does not include any procedures designed to discover errors, fraud, or theft and is limited to the professional services outlined above. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls. You are responsible for developing and implementing internal controls applicable to your operations.

### **CPA Firm Responsibilities**

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services (“SSTs”) issued by the American Institute of Certified Public Accountants (“AICPA”) and U.S. Treasury Department Circular 230 (“Circular 230”). It is our duty to perform services with the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of this engagement.

Your Return(s) will be prepared based upon your filing status (single, married filing jointly, married filing separately, head of household or qualifying widow[er] with dependent child) as reflected in your Return(s) for last year. If your filing status has changed, you wish to change it, or you have questions about your filing status, please contact us immediately.

### **Arguable Positions**

We will use our professional judgment to resolve questions in your favor where tax law is unclear provided there is substantial authority for doing so. If there are conflicting interpretations, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of the Internal Revenue Code, tax regulations, and their interpretations. If the IRS or state tax authorities later contest the position you select, additional tax, penalties and interest may be assessed. We assume no liability, and you hereby release us from any liability including but not limited to, additional tax, penalties, interest and related professional fees you may incur.

### **Confidentiality**

If the Return(s) prepared in connection with this engagement are filed using the married filing jointly filing status, both spouses are deemed to be clients of the firm under the terms of this Agreement. Both spouses acknowledge that there is no expectation of privacy from the other concerning our services in connection with this Agreement. We are at liberty to share with either of you, without prior consent of the other, documents and other information concerning the preparation of your Return(s).

### **Bookkeeping Assistance**

We may deem it necessary to provide you with bookkeeping and accounting assistance solely for the purpose of preparing the Return(s). If so, we will discuss this need with you. If we perform additional bookkeeping or accounting work, these services will be performed solely in accordance with the AICPA Code of Professional Conduct and our efforts will not include CPA audit or review procedures designed to discover fraud, theft, or other irregularities.

### Estimated Payments

You may be required to make quarterly estimated tax payments. We will calculate these payments for the current tax year based upon the information you provide to prepare your 2021 Return(s) and have no obligation to update recommended payments after the engagement is completed. If you desire for us to update your estimated tax payments, you must request this additional service and additional charges will apply.

### Tax Planning Services

During the course of preparing the tax returns identified above, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer.

### Government Inquiries

All Return(s) are subject to examination or audit by the taxing authorities. In the event of an examination or audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction or other information shown on your tax returns. In preparing your Return(s), we rely that you understand and have complied with applicable documentation requirements for your expenses, deductions, and credits. If you have questions about these requirements, you should ask us for clarification. If any of your Return(s) are selected for examination or audit, we would be pleased to discuss providing assistance to you for this specific purpose. It is always wise to immediately read and take action when you receive notices from any tax authority. You understand that these additional services are not included in our fees for your Return(s) preparation.

### Divorce

If you inform us of your pending divorce, we will advise each of you to seek independent tax advice. As you may have conflicting interests with your spouse, you will both be required to sign a conflict of interest waiver. We will not be able to advise either of you until your divorce is finalized. For example, your income tax return filing status is an item about which we will need instruction. Electing a filing status of married filing jointly establishes joint liability for taxes owed and requires that certain tax related decisions be made prior to the preparation of Return(s). Consequently, we will require a letter of instruction from both of your divorce attorneys or, if the spouse(s) is/are unrepresented, we will require a letter of instruction from the unrepresented spouse(s) identifying items needed to prepare your Return(s) and your agreement to same before the Return(s) can be prepared. In the event you elect to file separate Return(s), you will both be required to sign new engagement letters prior to the preparation of them.

### Tax Advice

Any advice we may provide is based upon tax reference materials, facts, assumptions, and representations that are subject to change. We will not update our advice after the conclusion of the engagement for subsequent legislative or administrative changes or future judicial interpretations. To the extent we provide written advice concerning federal tax matters, we will follow the guidance contained in Circular 230, §10.37, Requirements for Written Advice.

## **Client Responsibilities**

Included with this letter is a tax organizer to help you compile and document information necessary to prepare your Return(s). Please complete the organizer with accurate and complete information. Income from all sources, including those outside the U.S., is required.

### **Documentation**

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your Return(s). You should retain all documents that provide evidence and support for reported income, credits, deductions and other information on your Return(s) as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it if necessary, to respond to any audit or inquiry by tax authorities. You agree to hold us harmless from any liability including but not limited to, additional taxes, penalties, interest and professional fees resulting from the disallowance of tax deductions due to inadequate documentation.

### **Gift Tax Returns**

The IRS considers a gift to be any transfer to an individual, either directly or indirectly, where full consideration (measured in money or money's worth) is not received in return. Under federal tax law, certain gifts are taxable and subject to an annual gift tax exclusion amount. You are responsible for informing us if gift tax returns are required to be filed.

### **Gifts Received from Foreign Persons**

If you received a gift or bequest from a foreign person or trust, you may be required to file a separate IRS Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts or Form 3520-A, Annual Information Return of Foreign Trust with a U.S. Owner. You are responsible for informing us any of these returns are required to be filed.

### **Personal Expenses**

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, vehicle use, gifts and related expenses and that your expenses are supported by the proper documentation required by the IRS. At your request, we can advise you on the types of records required.

### **Other State and Local Filing Obligations**

On June 21, 2018, the U.S. Supreme Court reversed the long-standing physical presence nexus standard in *South Dakota v. Wayfair, Inc. et. al.* This decision significantly changed the landscape of sales and use tax compliance, especially for online sellers. If you wish to understand the impact of the decision on your business, please so advise us of this wish.

While we will always endeavor to inform you of your tax filing requirements, you are responsible for determining your tax filing obligations with any tax authorities, including, but not limited to income, franchise, sales, use, business licenses or property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. However, if it comes to our attention that you may have an obligation to file additional tax reports, we will notify you. If you ask us to prepare any of these other returns, if we agree to do so, we will confirm this additional engagement in writing.

### U.S. Filing Obligations Related to Foreign Financial Investments

Based on the information you provide to us, you may have additional filing obligations including but not limited to:

- Ownership of or an officer relationship with to certain foreign corporations (Form 5471);
- Foreign-owned U.S. corporation or domestic disregarded entity (Form 5472);
- Foreign corporation engaged in a U.S. trade or business (Form 5472);
- U.S. transferor of property to a foreign corporation (Form 926);
- U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A);
- U.S. person with interests in a foreign partnership (Form 8865); or
- U.S. person with interests in a foreign disregarded entity (Form 8858).

You are responsible for informing us of all foreign assets owned directly or indirectly, including but not limited to financial accounts with foreign institutions, other foreign non-account investments, and ownership of any foreign entities, regardless of amount. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you.

Based upon the information you provide, we will also use this data to inform you of any additional filing requirements, which may include FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).

Failure to timely file the required forms may result in substantial civil and/or criminal penalties. By your signature below, you agree to provide us with complete and accurate information regarding any foreign investments in which you have a direct or indirect interest in, or over which you have signature authority, during the above referenced tax year.

The foreign reporting requirements are very complex. If you have any questions regarding the application of the reporting requirements for your foreign interests or activities, please ask us and we will respond in writing. Only advice that is in writing may be relied upon. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

### Foreign Filing Obligations

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

### Virtual Currency

The IRS considers virtual currency (e.g., Bitcoin) as property for U.S. federal income tax purposes. As such, any transactions in, or transactions that use, virtual currency are subject to the same general tax principles that apply to other property transactions.

If you had virtual currency activity during the tax year, you may be subject to tax consequences associated with such transactions and may have additional reporting obligations. You agree to provide us with complete and accurate information regarding any transactions in, or transactions that have used, virtual currency during the applicable tax year.

### Worker Classification

You acknowledge and confirm that you, in consultation with other professional advisors, as needed, are responsible for determining the correctness of any worker classification. Payroll

tax withholding and related employer payroll tax implications result from this determination. We can provide guidance with respect to worker classification criteria but will rely upon your final determination of same.

We recommend obtaining a signed contract and signed Form W-9, Request for Taxpayer Identification Number and Certification, or Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals), from all independent contractors. You should provide all independent contractors with both forms and let them determine the form (W-9 or W-8BEN) that reflects their status.

You should also issue a Form 1099-NEC, Nonemployee Compensation, to all unincorporated domestic independent contractors to whom you pay \$600 or more for services. For those who provided a completed Form W-8BEN, a Form 1042-S must be issued to individuals if any payment is made from U.S. sources that would be deemed to be fixed or determinable annual or periodic income or other types of income included in the instructions, even if these payments are subject to a reduced income tax withholding rate or are exempt from income tax withholding due to an income tax treaty. In addition, state rules also should be reviewed to determine if state taxes are required to be withheld and separate returns completed for any independent contractor. At your written request, we are available to provide written answers to your questions on required documentation and only written responses from us may be relied upon.

Some of these filings are due as early as January 31 each year and significant penalties are assessed for late filing, non-filing and filing of incorrect information. Preparation of these forms is not within the scope of this engagement. If you ask us to prepare these forms, and we agree to prepare them, we will confirm this engagement in a separate writing. If you fail to adhere to the filing deadlines, you will be responsible for any penalties, interest and related professional fees for the improper filing.

#### Ultimate Responsibility

You have final responsibility for the accuracy of your Return(s). We will provide you with a copy of your electronic Return(s) and accompanying schedules and statements for review prior to filing with the IRS, state and local tax authorities (as applicable). You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879, IRS e-file Signature Authorization, and any similar state and local equivalent authorization form before your Return(s) can be filed electronically.

In the event that you do not wish to have your Return(s) filed electronically, please contact us. Additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

#### Extensions of Time to File Tax Returns

The original filing due date for your Individual Income Tax Return is 4/15/2022. **Due to the high volume of tax returns prepared by our firm, you must provide the information needed to prepare the Return(s) no later than 3/10/2022. Failure to do so may result in the inability to complete your Return(s) by the original filing due dates.**

It may become necessary to apply for an extension of the filing deadline if there are unresolved tax issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. **All taxes owed are due by the original 4/15/2022 filing due date.** Additionally, extensions may affect your liability for penalties and interest or compliance with government or other deadlines

**You must contact us in writing and request that we apply for an extension of the filing deadline on your behalf. In order to file for an extension, we will still need a signed copy of this engagement letter and sufficient information to estimate your taxable income in order to obtain a valid extension of time to file. Failure to timely request an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns, and can be substantial.**

You acknowledge that we are not responsible for penalties or interest resulting from your underpayment of estimated taxes or timely filing of your Return(s).

### **Penalties and Interest Charges**

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You remain responsible for the payment of all tax, penalties, and interest charges imposed by the tax authorities.

As discussed above, we will rely on the accuracy and completeness of the information you provide us in connection with the preparation of your tax returns or advice given. In the event that your tax return is examined or audited by the taxing authorities, failure to substantiate the items of income and deduction shown on your filed tax returns can result in the imposition of penalties and interest charges.

### **Professional Fee**

Our professional fee for the services outlined above will be based on the complexity of the work and the time required performing these services, plus out-of-pocket expenses if any. In addition, this fee is dependent on the timely delivery, availability, quality and completeness of the information you provide to us. In the event your records are not submitted in a timely manner, or are incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem.

You agree to pay all invoices as presented to you. Our invoices to you are due upon receipt. Please notify us in writing if you dispute any entry for services, fees or costs on any invoice. In the event your payment is not received when due, we will not be responsible for your failure to meet government and other filing deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet deadlines, and for any other damages incurred by you as a result of the later filing or non-filing of the Return(s).

We reserve the right to suspend or terminate our work for non-payment of fees. In the event that work is discontinued, either temporarily or permanently, as a result of delinquent payment, we shall not be liable for any damages you may incur as a result of the work stoppage.

## **Timing of the Engagement**

We expect to begin our services upon receipt of this executed Agreement, the completed 2021 income tax organizer and all documents requested either in the organizer or by our office.

Our services, under this engagement letter, will conclude upon the earlier of:

- The filing and acceptance of your Return(s) by the appropriate tax authorities if filed electronically or mailing of your non-electronically filed Return(s), if any, for your review and filing with the appropriate tax authorities, or
- Upon written notification by either party that the engagement is terminated, or
- One year from the date of this letter.

## **Electronic Data Communication and Storage**

In the interest of facilitating our services to you, we may send data over the Internet, temporarily store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications during this engagement.

## **Client Portals**

To enhance our services to you, we will utilize DropBox.com, a collaborative, virtual workspace in a protected, online environment. DropBox.com permits real-time collaboration across geographic boundaries and time zones and allows Kaelber, Billmyer & Kaelber, LLC and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use DropBox.com, you may be required by DropBox.com to execute a client portal agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that we have no responsibility for the activities of DropBox.com and agree to indemnify and hold us harmless with respect to any and all claims arising from or related to the operation of DropBox.com.

Kaelber, Billmyer & Kaelber, LLC is not a host for any of your information. You are responsible for maintaining your own copy of this information. We do not provide back-up services for any of your data or records, including information we provide to you. Portals are utilized solely as a method of transferring data and are not intended for the storage of your information. Information on a portal may be deleted by Kaelber, Billmyer & Kaelber, LLC.

If you decide to transmit your confidential information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to your confidential



information. If you request that we transmit confidential information to you in a manner other than a secure portal, you agree that we are not responsible for any liability, including but not limited to, (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any damages arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

### **Record Retention and Ownership**

We will return any original records and documents you provide to us. Our copies of your records and documents are solely for our documentation purposes and are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations. You are responsible for maintaining complete and accurate books and records, which may include financial statements, schedules, tax returns and other deliverables provided to you by us. If we provide deliverables or other records to you via an information portal, you must download this information within 30 days. Professional standards preclude us from being the sole repository of your original data, records, or information.

Workpapers and other documents created by us are our property and will remain in our control. Copies are not to be distributed without your written request and our prior written consent. Our firm may destroy workpaper files after a period of 7 years. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period.

### **Working Paper Access Requests or Summons or Subpoenas by Regulators and Others**

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis.

However, state, federal and foreign regulators may request access to or copies of certain workpapers pursuant to applicable legal or regulatory requirements. Requests also may arise with respect to peer review, an ethics investigation, or the sale of your organization. If requested, access to such workpapers will be provided under the supervision of firm personnel. Regulators may request copies of selected workpapers to distribute the copies or information contained therein to others, including other governmental agencies.

If we receive a request for copies of selected workpapers, provided that we are not prohibited from doing so by applicable laws or regulations, or if we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, in either instance, we agree to inform you of such request or summons or subpoena as soon as practicable.

You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit the disclosure of information. If you take no action within the time permitted for us to respond, or if your

action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

### **Disclaimer of Legal and Investment Advice**

Our services under this Agreement do not constitute legal or investment advice. We recommend that you retain legal counsel and investment advisors to provide such advice.

### **Brokerage, Investment Advisory or Cryptocurrency Statements**

If you provide our firm with copies of brokerage, investment advisor, or cryptocurrency statements and/or read-only access to your accounts, we will use the information solely for the purpose described in the engagement letter. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. We will not monitor transactions, investment activity, provide investment advice, or supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf. We recommend that you receive and carefully review all statements upon receipt and direct any questions regarding account activity to your banker, broker or investment advisor.

### **Federally Authorized Practitioner – Client Privilege**

Internal Revenue Code §7525, Confidentiality Privileges Related to Taxpayer Communication, provides a limited confidentiality privilege applying to tax advice embodied in taxpayer communications with federally authorized tax practitioners in certain limited situations.

This privilege is limited in several important respects. For example, the privilege may not apply to your records, state tax issues, state tax proceedings, private civil litigation proceedings, or criminal proceedings.

While we will cooperate with you with respect to the privilege, asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this federally authorized practitioner-client privilege.

### **Limitations on Oral and Email Communications**

We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

You accept all responsibility, except to the extent caused by our gross negligence or willful misconduct, for any liability, including but not limited to additional tax, penalties or interest resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication.

### **Electronic Signatures and Counterparts**

Each party hereto agrees that any electronic signature is intended to authenticate a written signature, shall be valid, and shall have the same force and effect as a manual signature. For purposes hereof, “electronic signature” includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. Documents may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

### **Conflicts of Interest**

If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to suspend or terminate our services without issuing our work product.

**Required Response**

As always, we appreciate this opportunity to be of service to you. Please sign and date this engagement letter and return it to us to acknowledge your agreement with it. It is our policy to initiate services only after we've received a signed copy of this engagement letter from you.

Sincerely,

Kaelber, Billmyer & Kaelber, LLC

ACCEPTED:

\_\_\_\_\_ Date \_\_\_\_\_  
Taxpayer Name

\_\_\_\_\_ Date \_\_\_\_\_  
Spouse Name

Please provide the email address that you would like for us to use in corresponding with you.

The current E-mail address on file is: \_\_\_\_\_  
If this E-mail address is incorrect or blank, please correct it below.

New E-mail address: \_\_\_\_\_

_____	_____
_____	
_____	

This Tax Organizer is designed to help you collect and report the information needed to prepare your 2021 income tax return. The attached worksheets cover income, deductions, and credits, and will help in the preparation of your tax return by focusing attention on your special needs.

Please enter your 2021 information in the designated areas on the worksheets. If you need to include additional information, you may use the back of a worksheet or an additional page.

When possible, 2020 information is included for your reference. You do not need to make any 2020 entries.

Note: The General Questions and Business/Investment Questions worksheets include a variety of questions designed to assist in completing your tax return. If you answer **yes** to any of the questions, be sure to provide the applicable details.

Please provide the following information:

- A copy of your 2020 tax return (if not in our possession).
- Original Form(s) W-2.
- Schedule(s) K-1 and K-3 showing income or loss from partnerships, S corporations or estates or trusts.
- Copies of other compensation or pension documentation, such as Form 1099-MISC, Form 1099-R, or Form 1099-NEC.
- Form(s) 1099 or statements reporting dividend and interest income.
- Brokerage statements showing transactions for stocks, bonds, etc.
- Form(s) 1098 reporting interest paid, copies of real estate tax bills and other information relating to real property holdings.
- Copies of closing statements regarding the sale or purchase of real property.
- All other information notices you received, or any items you have questions about.

Thank you for taking the time to complete this Tax Organizer.

Kaelber Billmyer & Kaelber LLC  
401 East Market St ES 24  
Charlottesville, VA 22902  
Telephone: (434) 923-3262 Fax: (434) 220-8060  
E-mail: hkaelber@hwkfs.com

Taxpayer Information				Spouse Information			
Last name .....				Last name .....			
First name .....				First name .....			
Middle Initial.....		Suffix.....		Middle Initial.....		Suffix.....	
Social security number .....				Social security number .....			
Occupation .....				Occupation.....			
Work phone .....		Ext ...		Work phone.....		Ext ...	
Cell phone .....				Cell phone .....			
E-mail address.....				E-mail address.....			
Date of birth.....				Date of birth .....			
Address .....			Apartment number.....				
City .....		State.....		ZIP Code.....			
Home phone.....		Fax number .....		Home phone.....		Fax number .....	

Dependent Information					
First name	MI	Social Security Number	Date of Birth	Months Lived with Taxpayer	Child Care Expense
Last name	Suffix	Relationship			

Child and Dependent Care Provider Expenses			
Name	Address	ID Number	Amount Paid

**Education Tuition and Fees**  
 Attach all Form 1098-Ts and a list of your qualified education expenses.

**Student Loan Interest Paid**  
 Enter total 2021 qualified student loan interest.....

**Attach Form(s) W-2 – Wages, Salaries, Tips and Other Compensation**

Employer Name	2020 Amount
_____	_____
_____	_____
_____	_____

**Attach Form(s) 1099-R – Distributions from Pensions, Annuities, Retirement, Profit-Sharing, IRAs, etc**

1099-R Payer Name	2020 Amount
_____	_____
_____	_____
_____	_____

**Attach Form(s) SSA-1099 – Social Security/Railroad Benefits**

	Taxpayer	Spouse
Social Security Benefits from Form SSA-1099 .....	_____	_____
Railroad Retirement Benefits from Form RRB-1099 .....	_____	_____
Medicare B premiums withheld .....	_____	_____
Medicare C premiums withheld .....	_____	_____
Medicare D premiums withheld .....	_____	_____

**Attach Form(s) 1099-MISC – Miscellaneous Income and 1099-NEC**

1099-MISC Payer Name and 1099-NEC Payer Name
_____
_____
_____
_____

**Attach Form(s) 1099-INT – Interest Income**

1099-INT Payer Name	2020 Amount
_____	_____
_____	_____
_____	_____
_____	_____

**Attach Form(s) 1099-DIV – Dividend Income**

1099-DIV Payer Name	2020 Amount
_____	_____
_____	_____
_____	_____
_____	_____

**Attach Form(s) 1099-B, 1099-S – Sales of Stocks, Bonds, Real Estate, etc**

Attach all stock sale transaction information, including initial cost information.

**Other Government Forms to attach:**

Form(s) 1099-G – Certain Government Payments, Schedule K-1s – Partnership, S-Corporation, Trust or Estate Income, Form(s) W-2G – Gambling or Lottery Winnings, Form(s) 1099-Q – Payments from Qualified Education Programs

**Other Income:**

Alimony, jury duty, unreported tips, disability income, etc. Business, rentals, farms: Attach income and expenses for any business, rental or farm you own. Include a list of all new equipment acquired this year, including date of purchase and cost.

	Taxpayer	Spouse
<b>Retirement Plan Contributions</b>		
Traditional IRA contributions made for 2021 .....	_____	_____
Roth IRA contributions made for 2021 .....	_____	_____
SEP, Keogh, Individual 401(k) or SIMPLE Contributions .....	_____	_____

## 2021 Deductions

<b>Medical and Dental Expenses</b>	<b>2021 Amount</b>	<b>2020 Amount</b>
Prescription medications.....		
Health insurance premiums .....		
Doctors, dentists, etc .....		
Hospitals, clinics, etc .....		
Eyeglasses and contact lenses .....		
Miles driven for medical purposes.....		
Other medical and dental expenses: _____		
<b>Taxes</b>	<b>2021 Amount</b>	<b>2020 Amount</b>
Real estate taxes paid on principal residence .....		
Real estate taxes paid on additional homes or land .....		
Auto license registration fees based on the value of the vehicle .....		
Other personal property taxes .....		
<b>Interest Expenses</b>		
Home mortgage interest paid – Attach Form(s) 1098.		
<b>Lender's Name</b>	<b>2021 Amount</b>	<b>2020 Amount</b>
Points paid on loan to buy, build or improve main home		
<b>Lender's Name</b>	<b>2021 Amount</b>	
<b>Cash/Check/Credit Contributions</b>	<b>2021 Amount</b>	<b>2020 Amount</b>
<b>Noncash Charitable Contributions</b>		
Attach all receipts with details listing the following information: Donee, donee address, description of donation, date acquired and date contributed, your cost, value at time of donation, and how you acquired the property.		
<b>Miscellaneous Deductions</b>	<b>2021 Amount</b>	<b>2020 Amount</b>
Union and professional dues .....		
Professional subscriptions, books, supplies .....		
Uniforms and protective clothing (including cleaning) .....		
Job search costs .....		
Taxpayer educator expenses .....		
Spouse educator expenses .....		
Tax return preparation fees .....		
Safe deposit box rental .....		
Gambling losses (to the extent of gambling income) .....		
Other expenses (list): _____		



	<b>Yes</b>	<b>No</b>
1 Did you receive an Economic Impact (Stimulus) Payment? .....	<input type="checkbox"/>	<input type="checkbox"/>
If yes, how much did you receive? .....	<input style="width:100px;" type="text"/>	
2 Did you receive any Advanced Child Tax Credit payments? .....	<input type="checkbox"/>	<input type="checkbox"/>
If <b>yes</b> , how much did you receive? .....	<input style="width:100px;" type="text"/>	
3 Did a lender cancel any of your debt in 2021? (Attach any Forms 1099-A or 1099-C).....	<input type="checkbox"/>	<input type="checkbox"/>
4 Did you make energy efficient improvements to your home or purchase any energy-saving property during 2021? If <b>yes</b> , please attach details.....	<input type="checkbox"/>	<input type="checkbox"/>
5 Did you purchase a motor vehicle or boat during 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
If <b>yes</b> , attach documentation showing sales tax paid.		
6 Did you purchase a hybrid or electric vehicle in 2021? If <b>yes</b> , enter year, make, model, and date purchased: .....	<input type="checkbox"/>	<input type="checkbox"/>
_____		
7 Did you donate a vehicle in 2021? If <b>yes</b> , attach Form 1098C.....	<input type="checkbox"/>	<input type="checkbox"/>
8 What was the sales tax rate in your locality in 2021? ..... %      State ID .....		
9 Did your marital status change during 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
If <b>yes</b> , explain: .....		
10 Were you or your spouse permanently and totally disabled in 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
11 Do you have dependents who must file? .....	<input type="checkbox"/>	<input type="checkbox"/>
12 Do you have children who are under age 19 or a full time student under age 24 with investment income greater than \$2,200? .....	<input type="checkbox"/>	<input type="checkbox"/>
13 Did you provide over half the support for any other person during 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
14 Did you incur adoption expenses during 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
15 Did you receive a total distribution from an IRA or other qualified plan that was partially or totally rolled over into another IRA or qualified plan within 60 days of the distribution? .....	<input type="checkbox"/>	<input type="checkbox"/>
16 Did you receive any disability payments in 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
17 Did you receive tip income <b>not</b> reported to your employer? .....	<input type="checkbox"/>	<input type="checkbox"/>
18 Did you buy, sell, refinance, foreclose or abandon a principal residence or other real property in 2021? If <b>yes</b> , attach closing or escrow statements, 1099-C or 1099-A forms.....	<input type="checkbox"/>	<input type="checkbox"/>
<b>a</b> If you sold a home, did you claim the First-Time Homebuyer Credit when you purchased it?.....	<input type="checkbox"/>	<input type="checkbox"/>
19 Did you incur any casualty or theft losses during 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
20 Did you incur any non-business bad debts? .....	<input type="checkbox"/>	<input type="checkbox"/>
21 Did you pay any individual for domestic services in 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
22 Did you take a retirement account distribution related to the corona virus or a natural disaster? .....	<input type="checkbox"/>	<input type="checkbox"/>
23 Did you buy or sell any stocks or bonds in 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
24 Did you use the proceeds from Series EE or I U.S. savings bonds purchased after 1989 to pay for higher education expenses? .....	<input type="checkbox"/>	<input type="checkbox"/>
25 Did you incur any moving expenses? If <b>yes</b> , attach details.....	<input type="checkbox"/>	<input type="checkbox"/>
26 Did you receive any income not included in this Tax Organizer? .....	<input type="checkbox"/>	<input type="checkbox"/>
If <b>yes</b> , please attach information.		
27 Do you expect your income and deductions in 2022 to be the same as 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
If <b>no</b> , attach explanation of changes expected.		
28 Did you receive Form 1095-A (Health Insurance Marketplace Statement)? If so, please attach .....	<input type="checkbox"/>	<input type="checkbox"/>
29 At any time during 2020, did you sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? .....	<input type="checkbox"/>	<input type="checkbox"/>
30 <b>a</b> Did you obtain a Paycheck Protection Program (PPP) loan? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> If yes, has any portion of that loan been forgiven? .....	<input type="checkbox"/>	<input type="checkbox"/>
31 If you paid any alimony, enter recipient's SSN: _____ Alimony paid: _____		
32 Enter your state of residence..... <b>Taxpayer</b> _____ <b>Spouse</b> _____		
33a Do you want to change the language with which the IRS communicates with you? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> If yes, which language? .....		

**Electronic Filing and Direct Deposit of Refund** **Yes**  **No**

If your tax return is eligible for Electronic Filing, would you like to file electronically? .....

The Internal Revenue Service is able to deposit many refunds directly into taxpayers' accounts.  
 If you receive a refund, would you like direct deposit? .....

If **yes**, please provide a voided check (not a deposit slip) if your bank account information has changed.  
 What type of account is this? .....

Checking       Savings

<b>Estimated Tax Paid</b>		<b>Federal</b>			<b>State</b>			<b>Local</b>		
Date	Amount	Date	Amount	ID	Date	Amount	ID			

**Additional Information** (Enter any additional information here and attach any documents.)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

General Questions

ORG3

PERSONAL INFORMATION

- 1 Did you receive an Economic Impact (Stimulus) Payment?
2 Did your marital status change during 2021?
3 Do you want to allow your tax preparer to discuss this year's return with the IRS?
4 Do you or your spouse plan to retire in 2022?
5 Were you or your spouse permanently and totally disabled in 2021?
6 Enter date of death for taxpayer or spouse
7 Were you or your spouse a member of the U.S. Armed Forces during 2021?

DEPENDENT INFORMATION

- 8a Do you have dependents who must file?
b If yes, do you want us to prepare the return(s)?
9a Do you have children who are under age 19 or a full time student under age 24 with investment income greater than \$2,200?
b If yes, do you want to include your child's income on your return?
10 Are any of your dependents not U.S. citizens or residents?
11 Did you provide over half the support for any other person during 2021?
12 Did you incur adoption expenses during 2021?
13 Did you receive any Advanced Child Tax Credit payments?
If yes, how much did you receive?

IRA, PENSION AND EDUCATION SAVINGS PLANS

- 14 Did you take a retirement account distribution related to the corona virus or a natural disaster?
15 Did you receive payments from a pension or profit-sharing plan?
16 Did you receive a total distribution from an IRA or other qualified plan that was partially or totally rolled over into another IRA or qualified plan within 60 days of the distribution?
17a Did you convert all or part of a regular IRA into a Roth IRA?
b Did you roll over all or part of a qualified plan into a Roth IRA?
18 Did you contribute to a Coverdell Education Savings Account?

ITEMS RELATED TO INCOME/LOSSES

- 19 Did you receive any disability payments in 2021?
20 Did you receive tip income not reported to your employer?
21a Did you buy, sell, refinance, or abandon a principal residence or other real property in 2021?
b If you sold or abandoned a home, did you claim the First-Time Homebuyer Credit when you purchased the home?
c Are you planning to purchase a home soon?
22 Did you incur any casualty or theft losses during 2021?
23 Did you incur any non-business bad debts?

PRIOR YEAR TAX RETURNS

- 24 Were you notified by the Internal Revenue Service or state taxing authority of changes to a prior year's return?
If yes, enclose agent's report or notice of change.
25 Were there changes to a prior year's income, deductions, credits, etc which would require filing an amended return?

ORG3

**General Questions (continued)**

**ORG3**

**FOREIGN BANK ACCOUNTS, FOREIGN ASSETS AND FOREIGN TAXES**

	<b>Yes</b>	<b>No</b>
<b>26</b> Did you have foreign income or pay any foreign taxes in 2021 ? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>27 a</b> At any time during 2021, did you have an interest in or a signature or other authority over a bank account, or other financial account in a foreign country? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> Did the aggregate value of all your foreign accounts exceed \$10,000 at any time during 2021? Report all interest income on Org 11 .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>28</b> Were you the grantor of or transferor to a foreign trust which existed during the tax year, whether or not you have any beneficial interest in the trust? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>29</b> Did you at any time during 2021, have an interest in or any authority over any foreign accounts or assets (i.e. stocks, bonds, mutual funds, partnership interests, etc.) held in foreign financial institutions that exceeded \$50,000 in value at any time during the year? .....	<input type="checkbox"/>	<input type="checkbox"/>

**HEALTH AND LIFE INSURANCE**

	<b>Yes</b>	<b>No</b>
<b>30</b> Did you receive Form 1095-A (Health Coverage)? If so, please attach.....	<input type="checkbox"/>	<input type="checkbox"/>
<b>31 a</b> Did you or your spouse have self-employed health insurance? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> If you or your spouse are self-employed, are either of you eligible to participate in an employer's health plan at another job? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>32</b> Did your employer pay premiums on life insurance in excess of \$50,000 where the proceeds are payable to beneficiaries named by you? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>33</b> Did you contribute to or receive distributions from a Health Savings Account (HSA)? .....	<input type="checkbox"/>	<input type="checkbox"/>

**MISCELLANEOUS**

	<b>Yes</b>	<b>No</b>
<b>34</b> Did you make energy efficient improvements to your home or purchase any energy-saving property during 2021? If <b>yes</b> , please attach details .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>35</b> Did you start paying mortgage insurance premiums in 2021? If <b>yes</b> , please attach details .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>36</b> Did you purchase a motor vehicle or boat during 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>If yes</b> , attach documentation showing sales tax paid.		
<b>37</b> Did you purchase an energy efficient vehicle in 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>If yes</b> , enter year, make, model, and date purchased: _____		
<b>38</b> Did you donate a vehicle in 2021? If yes, attach Form 1098C .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>39</b> What was the sales tax rate in your locality in 2021? _____ % State ID .....		
<b>40</b> Did you or your spouse make gifts of over \$15,000 to an individual or contribute to a prepaid tuition plan? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>41</b> Did you make gifts to a trust? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>42</b> If there were dues paid to an association, was any portion required to be non-deductible due to political lobbying by the association? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>If yes</b> , please attach details.		
<b>43</b> Did you or your spouse participate in a medical savings account in 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>If yes</b> , please attach Form 1099-SA (Distributions from an HSA, Archer MSA or Medicare+Choice MSA.)		
<b>44</b> Did you make a loan at an interest rate below market rate? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>45</b> Did you pay any individual for domestic services in 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>46</b> Did you pay interest on a student loan for yourself, your spouse, or your dependents? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>47</b> Did you, your spouse, or your dependents attend post-secondary school in 2021? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>48</b> Did a lender cancel any of your debt in 2021? (Attach any Forms 1099-A or 1099-C) .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>49</b> Did you receive any income not included in this Tax Organizer? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>If yes</b> , please attach information.		
<b>50</b> At any time during 2021, did you sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ..	<input type="checkbox"/>	<input type="checkbox"/>
<b>51 a</b> Did you obtain a Paycheck Protection Program (PPP) loan? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> If yes, has any portion of that loan been forgiven? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>52 a</b> Do you want to change the language with which the IRS communicates with you? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> If yes, which language? .....		

**ELECTRONIC FILING AND DIRECT DEPOSIT OF REFUND**

	<b>Yes</b>	<b>No</b>
<b>53</b> If your tax return is eligible for Electronic Filing, would you like to file electronically? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>54</b> The Internal Revenue Service is able to deposit many refunds directly into taxpayers' accounts. If you receive a refund, would you like direct deposit? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>Caution:</b> Review transferred information for accuracy.		
<b>55</b> If <b>yes</b> , please provide the following information:		
<b>a</b> Name of your financial institution .....		
<b>b</b> Routing Transit Number (must begin with 01 through 12 or 21 through 32) .....		
<b>c</b> Account number .....		
<b>d</b> What type of account is this? .....	Checking <input type="checkbox"/>	Savings <input type="checkbox"/>
<input checked="" type="checkbox"/> Please attach a <b>voided</b> check (not a deposit slip) if your bank account information has changed.		

# Health Insurance Coverage

**ORG3A**

**Preparer note:** The fields on this form are non-enterable. This worksheet is meant to gather client data only. This worksheet will not transfer to the ProSeries/1040 product. Data from this worksheet must be manually entered on the appropriate form in ProSeries/1040.

<b>Part 1 Coverage</b>																
Enter the name, SSN/DOB and health insurance status for each person who will claim on your return in the table below:																
Name of covered individual(s)	SSN or DOB	Covered 12 mos	Exchange Policy	Exemption Received	Indicate which months each person was covered by MEC*:											
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1.																
2.																
3.																
4.																
5.																
6.																
7.																
8.																
9.																

\*Minimum Essential Coverage (MEC) includes employer-sponsored coverage, health insurance purchased through the Health Insurance Marketplace (Exchange), Medicare, Medicaid, certain VA coverage, Tricare, etc.

For tax year 2020, the Federal ACA tax penalty has been eliminated, however, you may still be subject to a state tax penalty depending on where you live because some states have created their own individual insurance mandates to replace the federal version. These mandates require state residents to have qualifying health coverage or pay a fee with their state taxes.

Use this worksheet to list the names of individuals listed on the income tax return and their health care insurance coverage status. It will help your tax preparer determine who has health insurance coverage.

If you purchased a health insurance policy from an exchange (or Marketplace), check the Exchange Policy box above. You will receive Form 1095-A from the exchange that issued your policy. Please provide this form with your Organizer documents to your tax preparer.

Please call with any questions on this worksheet.

**ORG3A**

## Business Income and Expenses

ORG19

### GENERAL INFORMATION

Is this activity a qualified trade or business under Section 199A?  Yes  No

**1** Check ownership  **Taxpayer**  **Spouse**  **Joint**

**2** Business name \_\_\_\_\_

**3 a** Business street address \_\_\_\_\_

**b 1** City, State and Zip Code, or \_\_\_\_\_

**2** Foreign country \_\_\_\_\_ (not applicable)

**4** Principal business/profession \_\_\_\_\_

**5** Employer ID number \_\_\_\_\_

**6** Business code (**Preparer Use Only**) \_\_\_\_\_

**7** Was this business fully disposed of in a fully taxable transaction during 2021?  **Yes**  **No**

**8** Accounting method:  
 Cash       Accrual       Other (specify)  \_\_\_\_\_

**9** Method used to value closing inventory:  
 Cost       Lower of cost or market       Other (explain)  \_\_\_\_\_

**10** Was there a change in determining quantities, costs, or valuations between opening/closing inventory? (If yes, attach explanation)  **Yes**  **No**

**11** Did you materially participate in the operation of this business during 2021?  **Yes**  **No**

**12** Did you start or acquire this business during 2021?  **Yes**  **No**

**13 a** Did you make any payments in 2021 that require you to file Forms 1099?  **Yes**  **No**

**b** If yes, did you or will you file all the required Forms 1099?  **Yes**  **No**

**14** At-risk determination:

**a** Is all of the investment in this activity at risk?  **Yes**  **No**

**b** Is some of the investment in this activity not at risk?  **Yes**  **No**

**15** Did you have unallowed passive losses in 2020?  **Yes**  **No**

**16 a** Treat all MACRS assets for this activity as qualified Indian reservation property?  **Yes**  **No**

**b** Treat all assets acquired after August 27, 2005 as qualified GO Zone property?  **Regular**  **Extension**  **No**

**c** Treat all assets acquired after May 4, 2007 as qualified Kansas Disaster Zone property?  **Yes**  **No**

**d** Was this business located in a Qualified Disaster Area?  **Yes**  **No**

Complete ORG51 for Asset Acquisitions and ORG50 for Dispositions.

INCOME	2021	2020
<b>17</b> Gross receipts or sales		
<b>18</b> Returns and allowances plus other adjustments		
<b>19</b> Other income (include federal/state gas tax credit/refund)		

COST OF GOODS SOLD – IF APPLICABLE	2021	2020
<b>20</b> Inventory at beginning of year		
<b>21</b> Purchases		
<b>22</b> Items withdrawn for personal use		
<b>23</b> Cost of labor (do not include your salary)		
<b>24</b> Materials and supplies		
<b>25</b> Other costs		
<b>26</b> Inventory at end of year		

**Business Income and Expenses (continued)**

**ORG19**

EXPENSES	2021	2020
Business name _____		
<b>27</b> Advertising .....		
<b>28</b> Car and truck expenses (complete ORG18).....		
<b>29</b> Commissions and fees .....		
<b>30</b> Contract labor .....		
<b>31</b> Depletion .....		
<b>32</b> Depreciation and Section 179 deduction ( <b>Preparer Use Only</b> ).....		
<b>33</b> Employee benefit programs:		
<b>a</b> Employee health insurance premiums .....		
<b>b</b> Other employee benefit programs .....		
<b>34</b> Insurance (other than health) .....		
<b>35</b> Self-employed health insurance attributable to this business .....		
<b>36</b> Interest:		
<b>a</b> Mortgage paid to banks not reported to you on Form 1098.....		
<b>b</b> Other .....		
<b>37</b> Legal and professional services .....		
<b>38</b> Office expenses .....		
<b>39</b> Pension and profit-sharing plans .....		
<b>40</b> Rent or lease:		
<b>a</b> Machinery and equipment (enter vehicle lease on ORG18) .....		
<b>b</b> Other business property.....		
<b>41</b> Repairs and maintenance .....		
<b>42</b> Supplies (not included in cost of goods sold) .....		
<b>43</b> Taxes and licenses not reported to you on Form 1098 .....		
<b>44</b> Travel and meals		
<b>a</b> Travel.....		
<b>b</b> Meals subject to 50% limit.....		
<b>c</b> Meals subject to 80% limit.....		
<b>d</b> Meals not subject to limit .....		
<b>45</b> Utilities .....		
<b>46</b> Gross wages .....		
<b>47</b> Other expenses:		
_____		
_____		
_____		
_____		
_____		
_____		
_____		
_____		
<b>48</b> Expenses for business use of your home ( <b>Preparer Use Only</b> ).....		
Complete ORG20 for Business Use of Home.		
<b>49</b> Qualified pension plan start-up costs .....		
<b>50</b> DPAD (line 6) from cooperative(s) with tax year beginning <b>before</b> Jan. 1, 2018.....		
<b>51</b> DPAD (line 6) from cooperative(s) with tax year beginning <b>after</b> Dec. 31, 2017 .....		

## Car And Truck Expenses

ORG18

for: ORG19

GENERAL INFORMATION-	Vehicle 1	Vehicle 2	Vehicle 3
1 Description of vehicle.....			
2 a Date placed in service.....			
b Date acquired, if different from line 2a.....			
3 Enter detail on lines 3a and 3b, or total on line 3c:			
a Ending mileage reading.....			
b Beginning mileage reading.....			
c <b>Total miles</b> for the year (line 3a less line 3b).....			
4 Business miles.....			
5 Total commuting miles.....			
STANDARD MILEAGE RATE	Vehicle 1	Vehicle 2	Vehicle 3
6 Do you qualify for standard mileage? ( <b>Preparer Use</b> ).....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
7 Is this a leased vehicle?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
ACTUAL EXPENSES	Vehicle 1	Vehicle 2	Vehicle 3
8 Gasoline, oil, repairs, insurance, etc.....			
9 Vehicle registration fee (excluding property tax).....			
10 Vehicle lease or rental fee.....			
11 Inclusion amount ( <b>Preparer Use Only</b> ).....			
12 Depreciation ( <b>Preparer Use Only</b> ).....			
13 Parking fees, tolls, and local transportation.....			
14 Portion of vehicle registration fee based on value.....			
15 Interest on vehicle.....			
DEPRECIATION/DISPOSITIONS	Vehicle 1	Vehicle 2	Vehicle 3
16 Cost or basis.....			
17 Is this an electric vehicle?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
18 Is this qualified Indian reservation property?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
19 Type of vehicle ( <b>Preparer Use</b> ).....			
20 Section 179 expense ( <b>Preparer Use</b> ).....			
21 Qualified Property for Economic Stimulus? ( <b>Preparer Use</b> ).....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
22 Qualified Property for Qualified Disaster Area? ( <b>Preparer Use</b> ).....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
23 Kansas Disaster Zone? ( <b>Preparer Use</b> ).....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
24 Qualified GO Zone Property ( <b>Preparer Use</b> ).....	<input type="checkbox"/> Reg <input type="checkbox"/> Ext <input type="checkbox"/> N/A	<input type="checkbox"/> Reg <input type="checkbox"/> Ext <input type="checkbox"/> N/A	<input type="checkbox"/> Reg <input type="checkbox"/> Ext <input type="checkbox"/> N/A
25 Percentage for SDA? ( <b>Preparer Use</b> ).....	<input type="checkbox"/> 100%/50% <input type="checkbox"/> 30% <input type="checkbox"/> No	<input type="checkbox"/> 100%/50% <input type="checkbox"/> 30% <input type="checkbox"/> No	<input type="checkbox"/> 100%/50% <input type="checkbox"/> 30% <input type="checkbox"/> No
26 Elect OUT of SDA? ( <b>Preparer Use</b> ).....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
27 Elect 30% in place of 50% SDA ( <b>Preparer Use</b> ).....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
28 Date sold.....			
29 Sales price.....			
30 Expense of sale.....			
31 Gain/loss basis, if different ( <b>Preparer Use</b> ).....			
32 AMT gain/loss basis, if different ( <b>Preparer Use</b> ).....			
VEHICLE QUESTIONS	Vehicle 1	Vehicle 2	Vehicle 3
33 Is another vehicle available for personal use?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
34 Was vehicle available during off duty hours?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Was vehicle used primarily by a greater than 5% owner or related person?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
36 Do you have evidence to support the business use claimed?.....			<input type="checkbox"/> Yes <input type="checkbox"/> No
37 If <b>yes</b> , is the evidence written?.....			<input type="checkbox"/> Yes <input type="checkbox"/> No

## Rent and Royalty Income and Expenses

**ORG25**

### BASIC PROPERTY INFORMATION

Property description: \_\_\_\_\_  
 Property type: \* \_\_\_\_\_ If type is other, enter a description: \_\_\_\_\_  
 Location (street address): \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 If a foreign address: Foreign province or state: \_\_\_\_\_  
 Foreign postal code: \_\_\_\_\_ Foreign Country: (not applicable) \_\_\_\_\_

Is this activity a qualified trade or business under Section 199A? .....  Yes  No

- 1** Check property owner .....  **Taxpayer**     **Spouse**     **Joint** **Yes**   **No**
- 2 a** Did you make any payments that would require you to file Form(s) 1099? .....  **Yes**    **No**
- b** If **yes**, did you or will you file all required Forms(s) 1099? .....  **Yes**    **No**
- 3 a** Enter the ownership percentage (if not 100%) ..... \_\_\_\_\_
- b** If not 100%, are you reporting 100% of the income and expenses? .....  **Yes**    **No**
- 4** Is this a rental property? (If **yes**, answer questions 5 through 11; if **no**, skip to question 12.) .....  **Yes**    **No**
- 5** Did you have personal use of this property or rent it for part of the year at less than fair rental value? .....  **Yes**    **No**
- 6** For all rental properties, **enter the number of days** during 2021 that:
- a** The property was rented at fair rental value ..... \_\_\_\_\_
- b** The property was used personally or rented at less than fair rental value ..... \_\_\_\_\_
- c** You owned the property, if not the entire year ..... \_\_\_\_\_
- 7 a** Does this rental have multiple living units and you live in one of the units? .....  **Yes**    **No**
- b** If **yes**, enter percentage of rental use ..... \_\_\_\_\_
- 8** Did you actively participate in this property's management during 2021 ? .....  **Yes**    **No**
- 9** Did you materially participate in this property's management during 2021 ? .....  **Yes**    **No**
- 10** Do you want to treat this property as non-passive? .....  **Yes**    **No**
- 11** Did this property have unallowed passive losses in 2020 ? .....  **Yes**    **No**
- 12** Did you dispose of this property in a fully taxable transaction? .....  **Yes**    **No**
- 13** Check this box if some of this investment was **not** at-risk .....  **Yes**    **No**
- 14 a** Treat all MACRS assets for this activity as qualified Indian reservation property? .....  **Yes**    **No**
- b** Treat all assets acquired after August 27, 2005 as qualified GO Zone property? ..... **Regular**  **Extension**  **No**
- c** Treat all assets acquired after May 4, 2007 as qualified Kansas Disaster Zone property? .....  **Yes**    **No**
- d** Was this activity located in a Qualified Disaster Area? .....  **Yes**    **No**

Complete ORG51 for Asset Acquisitions and ORG50 for Dispositions.

INCOME	2021	2020		
<b>15</b> Rents or royalties received .....				
<p style="margin: 0;"><b>* Property Types:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <p><b>1</b> Single family residence</p> <p><b>2</b> Multi-family residence</p> <p><b>3</b> Vacation/short-term rental</p> <p><b>4</b> Commercial</p> </td> <td style="width: 50%; border: none;"> <p><b>5</b> Land</p> <p><b>6</b> Royalties</p> <p><b>7</b> Self-rental</p> <p><b>8</b> Other</p> </td> </tr> </table>	<p><b>1</b> Single family residence</p> <p><b>2</b> Multi-family residence</p> <p><b>3</b> Vacation/short-term rental</p> <p><b>4</b> Commercial</p>	<p><b>5</b> Land</p> <p><b>6</b> Royalties</p> <p><b>7</b> Self-rental</p> <p><b>8</b> Other</p>		
<p><b>1</b> Single family residence</p> <p><b>2</b> Multi-family residence</p> <p><b>3</b> Vacation/short-term rental</p> <p><b>4</b> Commercial</p>	<p><b>5</b> Land</p> <p><b>6</b> Royalties</p> <p><b>7</b> Self-rental</p> <p><b>8</b> Other</p>			



**Rent and Royalty Income and Expenses (continued)**

**ORG25**

EXPENSES	2021	2020
Property location .....		
<b>16</b> Advertising .....		
<b>17 a</b> Automobile (complete ORG18 for autos).....		
<b>b</b> Travel.....		
<b>18</b> Cleaning and maintenance .....		
<b>19</b> Commissions.....		
<b>20 a</b> Mortgage insurance premiums – qualified .....		
<b>b</b> Other insurance .....		
<b>21</b> Legal and professional fees .....		
<b>22</b> Management fees .....		
<b>23 a</b> Mortgage interest paid to banks – qualified.....		
<b>b</b> Mortgage interest paid to banks – other .....		
<b>24</b> Other interest .....		
<b>25</b> Repairs.....		
<b>26</b> Supplies.....		
<b>27 a</b> Real estate taxes.....		
<b>b</b> Other taxes .....		
<b>28</b> Utilities .....		
<b>29</b> Other expenses:		
<b>a</b> .....		
<b>b</b> .....		
<b>c</b> .....		
<b>d</b> .....		
<b>e</b> .....		
<b>30 a</b> Depreciation and Section 179 deduction <b>(Preparer Use Only)</b> .....		
<b>b</b> Depletion <b>(Preparer Use Only)</b> .....		

**Farm Income and Expenses**

**ORG27**

**GENERAL INFORMATION**

Name of this farm .....

Is this activity a qualified trade or business under Section 199A? .....  Yes  No

**1** Check ownership .....  Taxpayer  Spouse  Joint

**2** Principal product .....

**3** Employer identification number.....

**4** Agricultural activity code (**Preparer Use Only**) .....

**5** Accounting method .....  Cash  Accrual

	<b>Yes</b>	<b>No</b>
--	------------	-----------

**6** Was this farm fully disposed of in a fully taxable transaction during 2021? .....  Yes  No

**7** Did you materially participate in the operation of this business during 2021? .....  Yes  No

**8** Did you make any payments in 2021 that would require you to file Form(s) 1099? .....  Yes  No

**9** If 'Yes,' did you or will you file all required Forms 1099? .....  Yes  No

**10** At-risk determination:

**a** Is all of the investment in this activity at risk? .....  Yes  No

**b** Is some of the investment in this activity not at risk? .....  Yes  No

**c** Did you receive a subsidy in 2021? .....  Yes  No

**11** Did you have unallowed passive losses in 2020? .....  Yes  No

**12a** Treat all MACRS assets for this activity as qualified Indian reservation property? .....

**b** Treat all assets acquired after August 27, 2005 as qualified GO Zone property? ..... **Regular**  **Extension**  **No**

**c** Treat all assets acquired after May 4, 2007 as qualified Kansas Disaster Zone property? .....  Yes  No

**d** Was this farm located in a Qualified Disaster Area? .....  Yes  No

<b>FARM INCOME – CASH METHOD</b>	<b>2021</b>	<b>2020</b>
<b>13</b> Sales of livestock, etc purchased for resale .....		
<b>14</b> Cost/Basis of livestock, etc purchased for resale.....		
<b>15</b> Sales of livestock, produce, grains, etc raised.....		
<b>16a</b> Total distributions received from cooperatives .....		
<b>b</b> Taxable amount of distributions from cooperatives .....		
<b>17a</b> Total agricultural program payments .....		
<b>b</b> Taxable amount of agricultural program payments .....		
<b>c</b> If you received social security retirement or disability benefits, enter any Conservation Reserve Program payments included on line 15 .....		
<b>18a</b> Commodity Credit Corporation (CCC) loans under election .....		
<b>b</b> CCC loans forfeited/repaid with certificates .....		
<b>c</b> Taxable amount of CCC loans forfeited/repaid.....		
<b>19a</b> Crop insurance proceeds/federal crop disaster payments received in 2021 .....		
<b>b</b> Taxable crop insurance proceeds/federal crop disaster payments .....		
<b>c</b> Crop insurance proceeds/federal crop disaster payments deferred from 2020 .....		
<b>20</b> Custom hire (machine work) income .....		
<b>21</b> Other income – include federal/state gas tax credit/refund .....		

<b>FARM INCOME – ACCRUAL METHOD</b>	<b>2021</b>	<b>2020</b>
<b>22</b> Sales – livestock, produce, grain, other products.....		
<b>23a</b> Total distributions received from cooperatives .....		
<b>b</b> Taxable amount of distributions from cooperatives .....		
<b>24a</b> Total agricultural program payments .....		
<b>b</b> Taxable amount of agricultural program payments .....		
<b>25a</b> Commodity Credit Corporation (CCC) loans under election .....		
<b>b</b> CCC loans forfeited/repaid with certificates .....		
<b>c</b> Taxable amount of CCC loans forfeited/repaid.....		
<b>26</b> Crop insurance proceeds and certain disaster payments .....		
<b>27</b> Custom hire (machine work) income .....		
<b>28</b> Other income include federal/state gas tax credit/refund .....		

**Farm Income and Expenses (continued)**

**ORG27**

<b>FARM INCOME – ACCRUAL METHOD (continued)</b>	<b>2021</b>	<b>2020</b>
<b>29</b> Cost of Goods Sold:		
<b>a</b> Beginning inventory – livestock, produce, etc .....		
<b>b</b> Cost of livestock, produce, etc purchased .....		
<b>c</b> Ending inventory – livestock, produce, etc .....		
<b>30</b> Check if you used the unit-livestock price method or farm-price method to value inventory.....	<input type="checkbox"/>	<input type="checkbox"/>

Complete ORG51 for acquisitions and ORG50 for dispositions.

<b>FARM EXPENSES – CASH AND ACCRUAL METHODS</b>	<b>2021</b>	<b>2020</b>
Name of this farm .....		
<b>31</b> Car and truck expense (complete ORG18) .....		
<b>32</b> Chemicals .....		
<b>33</b> Conservation expenses .....		
<b>34</b> Custom hire (machine work) .....		
<b>35</b> Depreciation and Section 179 deduction ( <b>Preparer Use Only</b> ) .....		
<b>36</b> Employee benefit programs other than pension and profit-sharing plans.....		
<b>37</b> Feed .....		
<b>38</b> Fertilizers and lime.....		
<b>39</b> Freight and trucking.....		
<b>40</b> Gasoline, fuel and oil.....		
<b>41 a</b> Insurance (other than health) .....		
<b>b</b> Self-employed health insurance attributable to this farm business.....		
<b>42</b> Interest:		
<b>a</b> Mortgage (paid to banks, etc).....		
<b>b</b> Other .....		
<b>43</b> Labor hired .....		
<b>44</b> Pension and profit-sharing plans .....		
<b>45</b> Rent or lease:		
<b>a</b> Machinery, equipment, etc (for vehicle rent or lease, see ORG18) .....		
<b>b</b> Other (land, animals, etc) .....		
<b>46</b> Repairs and maintenance .....		
<b>47</b> Seeds and plants purchased .....		
<b>48</b> Storage and warehousing.....		
<b>49</b> Supplies purchased.....		
<b>50</b> Taxes .....		
<b>51</b> Utilities .....		
<b>52</b> Veterinary, breeding and medicine.....		
<b>53</b> Other expenses (specify):		
_____		
_____		
_____		
_____		
_____		
<b>54</b> Qualified pension plan start-up costs.....		
<b>55</b> DPAD (line 6) from cooperative(s) with tax year beginning <b>before</b> Jan. 1, 2018 .....		
<b>56</b> DPAD (line 6) from cooperative(s) with tax year beginning <b>after</b> Dec. 31, 2017.....		

**ORG27**

# Household Employment Taxes

ORG41

## GENERAL INFORMATION

**Attach copies of your state payroll returns and other payroll forms.**

Taxpayer Copy

- 1 Enter your employer identification number .....\*\*\*\*\*
- Yes No
- 2 Did you pay **any one** household employee cash wages of \$2,200 or more in 2021 ? .....
- 3 Did you withhold federal income tax during 2021 for any household employee? .....
- 4 Did you pay total cash wages of \$1,000 or more **in any calendar quarter** of **2020** or 2021 to **all** household employees? .....

### COMPLETE IF YOU ANSWERED 'YES' TO QUESTION 2 OR 3 ABOVE

2021

2020

- 5 Enter total cash wages paid during 2021 that were:
- a Subject to social security taxes .....
- b Subject to Medicare taxes .....
- c Subject to FUTA taxes .....
- 6 Enter federal income tax withheld during 2021 .....

### COMPLETE IF YOU ANSWERED 'YES' TO QUESTION 4 ABOVE

Federal Unemployment Tax (FUTA) Questions:

Yes No

- 7 Did you pay unemployment contributions to only one state? .....
- 8 Did you pay all state unemployment contributions for 2021 by April 15, 2022 ? .....
- 9 Were all wages that are taxable for FUTA tax also taxable for your state's unemployment tax? .....
- 10 Enter any unemployment compensation you paid for :

State Name	State Reporting Number	Taxable Wages		Contributions Paid to State Unemployment Fund	
		2021	2020	2021	2020
a	---				
b	---				

11 Complete the following if you know your state experience rate:

**State  
A**

**State  
B**

- a State experience rate (e.g., enter 5.5 for 5.5%) .....
- b State experience rate period – starting date (e.g., 01/01/2020) .....
- c State experience rate period – ending date (e.g., 12/31/2020) .....

Foreign Earned Income

ORG52

Taxpayer Copy

1 Foreign address (including country) and POD
2 Occupation
3 Employer's name
4a Employer's U.S. Address
b Employer's Foreign Address
5 Employer is (Check any that apply):
a A foreign entity
b A U.S. entity
c Self
d A foreign affiliate of a U.S. company
e Other (specify)
6a Last year Form 2555 was filed
b Check if Form 2555 has not been previously filed to claim either of the exclusions
c Either exclusion ever revoked?
d Enter type of exclusion and enter year for which the revocation was effective: Exclusion Year
7 Citizen/national of which country?
8a Maintained a separate foreign residence for family due to adverse conditions?
b If 'Yes,' city and country of the separate foreign residence. Also, enter the number of days during the tax year that a second household maintained at the address.
9 Tax home(s) during tax year and date(s) established.

Taxpayers Qualifying Under Bona Fide Residence Test

10 Date bona fide residence began and ended
11 Kind of living quarters in foreign country:
a Purchased house
b Rented house or apartment
c Rented room
d Quarters furnished by employer
12a Did any of your family live with you abroad during any part of the tax year?
b If 'Yes,' who and for what period?
13a Have you submitted a statement to the authorities of the foreign country where you claim bona fide residence that you are not a resident of that country?
b Are you required to pay income tax to the country where you claim bona fide residence?
If you answered 'Yes' to 13a and 'No' to 13b, you do not qualify as a bona fide resident. Do not complete the rest of this part.
14a List any contractual terms or other conditions relating to the length of your employment abroad.
b Enter the type of visa under which you entered the foreign country.
c Did your visa limit the length of your stay or employment in a foreign country?
d Did you maintain a home in the United States while living abroad?
e If 'Yes,' enter address of your home, whether it was rented, and the names of the occupants, and their relationship to you.
15 Qualified housing expenses for the tax year

For use with Form 8801 Information

16 TP - Foreign Earned Income
TP - Housing
SP - FEI
SP - Housing
Prior year Form 2555, line 45 and line 50
a Taxpayer (Form 2555, line 45)
b Taxpayer (Form 2555, line 50)
c Spouse (Form 2555, line 45)
d Spouse (Form 2555, line 50)
16a
b
c
d

# State Information Worksheet

ORG60

## GENERAL INFORMATION

	<b>Taxpayer</b>	<b>Spouse</b>
1 Enter your state of residence .....	_____	_____
2 Check the appropriate box if:	<b>Taxpayer</b>	<b>Spouse</b>
a Full year resident.....	<input type="checkbox"/>	<input type="checkbox"/>
b Part year resident.....	<input type="checkbox"/>	<input type="checkbox"/>
c Nonresident .....	<input type="checkbox"/>	<input type="checkbox"/>
	Date of entry: _____	Date of exit: _____
3 Resident locality: _____		
4 County: _____	School district: _____	School district number: _____
	<b>Taxpayer</b>	<b>Spouse</b>
5 Check if disabled .....	<input type="checkbox"/>	<input type="checkbox"/>

## STATE CREDITS

6 Description/type of credit (for example, solar energy, carpool)	Code	Amount
a _____		
b _____		
c _____		
d _____		
e _____		

## VOLUNTARY STATE CONTRIBUTIONS

7 Description/type of contribution (for example, wildlife, cancer)	Code	Amount
a _____		
b _____		
c _____		
d _____		
e _____		

## MISCELLANEOUS QUESTIONS

		<b>Yes</b>	<b>No</b>
8 Did you file a state return for 2020? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Do you want state forms and instructions sent to you next year? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Do you want any applicable penalty and interest calculated and added to the return? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 How do you want your state refund (if any) applied?			
a Refunded .....	<input type="checkbox"/>	b Apply to 2022 estimates .....	<input type="checkbox"/>
		c Apply to 2022 taxes .....	<input type="checkbox"/>
12 Additional state information: _____			
_____			
_____			