



Sauppé Tax News

Brought to you by
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Don't Fall Victim to Scams!

Special points of interest:

- Scam Alert
- Affordable Care Act
- Gift Taxes
- 1099's

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You have probably heard about the scams being perpetrated by callers claiming to be from the IRS. Please don't fall for their scare tactics.

The scammers are getting better at perpetrating these scams by sounding just like IRS agents and giving a name (fake) and a badge number (also fake) and getting the caller ID to show IRS or something similar on your phone. They are even sending e-mails to the people they are trying to scam, also supposedly from the IRS. The scammers claim the person owes the IRS money and that they must pay the amount due at once or face jail time. I

even heard of a scammer who went so far as to call the police when a person hung up on them, telling the police that someone was in the home threatening the other household members with a gun. When the police arrived at the home to assess the situation, the scammer called back and told the caller to look out the window as the police were going to arrest him if he did not pay his taxes immediately.

Always keep this in mind. **The IRS does NOT contact taxpayers via phone to collect money nor does it ever ask for personal information such as PINs or passwords.**

If you have any doubt as to the legitimacy of call asking for back taxes, hang up and call the IRS direct at 800-829-1040. If you know you don't owe the IRS (and you should have received numerous letters from the IRS if they thought you did owe), then call to report the scam at 800-366-4484.

As we stated above, the IRS always starts the communication process via postal mail. If you do receive a notice from the IRS or a state or city taxing authority, please be sure to forward a copy to this office for review and to determine the best way to respond to the notice.

Delayed Filing?

Will we have a delayed tax season again this year? The IRS has stated that if Congress does not act quickly to pass legislation on the "Extenders", IRS will have to delay the start of the filing season again in 2015. Because the IRS cannot change the filing deadline of April 15 (only Congress can do this), it may mean less days available to prepare the same number of tax returns. The "Extenders" are the items that were temporary when originally passed and expired at the end of 2013. These include the educator expense deduction, the tuition and fees deduction, energy tax breaks, the state and local sales tax deduction, mortgage debt relief, and the IRA payments direct to a charity. As of this writing the House of Representatives has passed an Extenders Bill, but no comparable bill has passed the Senate. We will continue to monitor this area and prepare your return based on the laws in existence at that time.

*****An important point regarding these extenders. One of the items is the ability to deduct mortgage insurance premiums. This deduction has expired and therefore many 1098's may have been restructured to remove this information. If this deduction is reinstated, and your mortgage company does not include this information on the 1098, our office will have no way to determine this amount to include on your return. Be sure to review your 1098 before sending to us and contact the mortgage company if this information is missing from the 1098.**

Foreign Bank Accounts

Many of you may have wondered why our questionnaire has always included the question which asks if you have funds in a foreign bank account or give or receive a distribution to a foreign trust. This question is specifically asked on Schedule B, so we must ask you this question in order to properly complete the form, if required. Schedule B must only be prepared if you have over \$1,500 in interest or dividend income for the year. Our office does not complete Schedule B if it is not required. If you answered No to the question, nothing further needs to be done for your taxes. However, if you answer Yes, we must ask for further information as you may have other filing requirements in regards to these foreign financial accounts. If you have \$50,000 or more in foreign bank accounts at the end of any year, or \$75,000 or more at any time during the year, you must attach Form 8938 to your 1040 tax return to notify the IRS of your foreign bank information. Our office can assist you with this filing requirement.

If you have \$10,000 or more in all foreign accounts at any time during the year, you are also required to file what is called a FBAR (Report of Foreign Bank and Financial Accounts) or FinCEN 114. This form is NOT sent with the tax return but must be filed online by June 30th of each year at the FinCEN (Financial Crimes Enforcement Network) website. This office is not a registered FinCEN filer and cannot file this form for you.

Please note that funds in a mutual fund which happens to hold foreign stocks is NOT a foreign bank account.



Charitable Donation Denied

We have often stressed to you the importance of keeping proper records for all charitable donations (see the 2013 newsletter, page 3 which is available online at www.sauppetax.com/archive.html), especially non-cash donations. The IRS knows this is an area ripe for abuse and has been cracking down on this area lately. In one recent court case, Thad DeShawn Smith v. Commissioner, T.C. Memo 2014-203, the Tax Court claimed a deduction for gifts of furniture and clothing, and also assessed an accuracy penalty. Smith claimed he made a donation to Amvets of clothing and furniture. He had two blank receipts from Amvets to back up this donation, but had no photos, appraisals (the total value was over \$5,000), and no evidence of the condition of the items.

The Tax Court stated Smith did not meet three major requirements to substantiate this deduction. These are:

1. He did not have a contemporaneous written acknowledgement for gifts of \$250 or more which clearly stated no goods or services were provided in exchange for the donation.
2. He did not have a "reliable written record" of the gift which included the date of acquisition, a description of the property in reasonable detail, the cost or other basis of the property, the fair market value of the property, and the method used in determining the fair market value.
3. He had no methodology that substantiated the values claimed.

Please note that if you wish to claim any charitable donations on your 2014 tax return, you are required to complete the Charitable Donation recap for either type of donation (monetary or non-monetary) *in its entirety*. This form can be found on Page 8 of this newsletter, or can be downloaded from our website at www.sauppetax.com. As always, it is your responsibility to obtain and retain all necessary documentation to back up the charitable donations you claim. We have also put a charitable donation flowchart on our website to help you with determining the documentation needed to claim your donation.

Gift Taxes



So you felt generous this year and gave your child (or sister, brother, parent, a stranger on the street, etc.) a gift or gifts worth more than \$14,000. Now what? Now you have to submit a gift tax return (Form 709) to the IRS by 4/15 of the following year (4/15/15 for 2014 gifts). If you provide this office with the information on the gift, we will be happy to prepare this form for you along with your 1040.

The next question you may have is whether you or the recipient will owe tax on this gift. The answer for the recipient is no. That person can simply take the gift and do with it what he or she likes. The only tax consequence to him or her would be if he or she invests the money and earns interest or dividends. The interest or dividends would be taxable on their personal 1040 but not the amount of the original gift.

Tax consequences for the giver depends on the total amount of gifts given this year and all preceding years. The IRS allows you to give away in your lifetime up to \$5,340,000 (the limit in 2014) without paying any gift tax. So let's say you make gifts this year to each of your children in the amount of \$1,000,000 (lucky children). You would need to submit a gift tax this year to notify the IRS of these gifts. Assuming these were the first gifts you ever gave valued at more than the annual limit, no gift tax would be due on the return. Then let's say you died next year when you still had \$2,000,000 in assets. Because the total of the gifts from 2014 and your estate in 2015 are only \$5,000,000, your estate would owe no estate tax. But if you had \$3,000,000 in assets at your death, your estate would owe some tax because the total was over the \$5,340,000 threshold.





MFJ or MFS

You may have frequently seen those initials but never really thought about what they meant. MFJ stands for Married Filing Jointly, while MFS means Married Filing Separately. The IRS says your filing status is determined by your marital status as of the last day of

the year. So if you get married anytime during the year (even if it is on 12/31), you basically have two options available for your filing status on your 2014 return—married filing jointly or married filing separately.

[There is the possibility of a third option as head of household (HOH) if you had a dependent child living with you and you did NOT live with your spouse for more than six months during the year, but we will discuss those details at another time. If you believe you may qualify for HOH filing status, please contact this office to discuss.]

For all married couples who must use either the MFJ or MFS filing status, we review your tax situation to determine which filing status is best for the two of you combined. To do this, we prepare three separate returns—one for him, one for her, and one jointly. We then compare the sum of the tax liability of the two separate returns to the tax liability

of the joint return. If the total of the two separate is better than the joint, we prepare separate returns for you. This can, and often does, cause one of the spouses to owe tax, while the other spouse is getting a larger refund, but again the overall total is usually better.

Keep in mind that the IRS prefers tax returns that are filed jointly as this gives them the opportunity to collect any tax due from both or either spouse. To accomplish this, many tax credits require you to file jointly in order to take advantage of the credit. These include Education credits, the child care credit, the Earned Income Tax Credit, the new Advance Health Insurance premium credit, and the adoption credit. Filing separately may also increase the taxability of your social security benefits.

State tax implications must also be figured into the MFJ vs MFS discussion. For example, in Ohio, married couples often pay more on their combined income than two single individuals will pay on the same income, even when the Ohio joint filing credit is taken into account. Because of this, the comparison often shows that there is no or little savings on the federal return to file jointly or separately, but significant dollars may be saved on the state return.

This office will always prepare the three separate returns when there is a chance the taxpayers could save money by filing separately. Unless you have indicated to us in writing your desire to file a particular way (for example, you prefer to keep your finances totally separate from your spouse and always file separately), we will prepare the returns based on what makes the most economic sense for the family unit per the return calculations.

Innocent Spouse/Injured Spouse

Innocent spouse and injured spouse are some other tax terms you may have heard but never really understood. Both of these terms can be used by spouses to potentially help with tax issues that arise because of a jointly filed tax return (or in some cases a MFS return if filed in a community property state). The terms are NOT interchangeable and each comes into play under different circumstances.

INNOCENT SPOUSE

As mentioned above, when a couple files a MFJ return, they are both agreeing to pay any and all tax shown on the return whether it results from their income or their spouse's income. This may be fine when the marriage is going along smoothly, but not so fine if the marriage begins to dissolve.

Let's talk hypothetically. Kara and Arnold are married and have filed jointly every year since they got married. Kara has never had taxable income while she was married as she stayed home to care for the children. In 2013, Kara and Arnold get divorced and Kara's lawyer puts a clause in the divorce decree saying that Arnold is responsible for payment of any tax debts that arise out of previously filed joint returns. In 2014, the IRS sends Kara a letter indicating that their 2012 joint return did not include \$25,000 that Arnold withdrew from his IRA and never told Kara about it. Kara at this point is liable for the full tax on the \$25,000 withdrawal even though it was Arnold's money and he is supposed to

be responsible for these tax debts. Kara can request Innocent Spouse Relief under these circumstances (She also has the right to go back to divorce court to force Arnold to pay the tax due, but that won't help if she can no longer find Arnold. To request Innocent Spouse relief, Kara would file Form 8857 Request for Innocent Spouse Relief to request relief under one of three types which are:

1. Innocent Spouse Relief
2. Separation of Liability Relief
3. Equitable Relief

Based on the information provided on the form, the IRS determines which type of relief they will grant to the taxpayer, if any.

INJURED SPOUSE

An Injured Spouse is one who will be hurt (or injured) by having some or all of the joint tax refund used to offset a debt owed solely by the other spouse. For example, if Barry and Julia file a joint return that shows a refund of \$1,000, and some or all of this is used to offset Barry's unpaid taxes filed when he was single, Julia may be able to file Form 8379 Injured Spouse Allocation. Keep in mind that Julia must have paid into the system to utilize this method. If she is also a stay at home mom with no taxable income, no refund that is properly allocated to her is being used to pay Barry's unpaid taxes. Therefore Julia is not entitled to Injured Spouse relief.

Affordable Care Act and Your 2014 Taxes

Okay we have had a full year of the Affordable Care Act (ACA or sometimes referred to as Obamacare) under our belt. The Marketplace website is up and running and we are now in the second year of the open enrollment period. You have all heard many acronyms thrown about such as ISRP, PACT, and MEC. See below for definitions of these terms.

Many of you are saying you don't have to worry about ACA or the Marketplace as you already have insurance. You are correct to a point. However, you will note there is a new question on the annual questionnaire, you may receive some new tax documents in January, and there may be some addi-

tional schedules (and an additional fee) on your tax return.

The question on the questionnaire is fairly straightforward. If you, your spouse, and ALL your dependents have insurance through Medicare, Medicaid, or your employer's group plan, you can simply answer Yes to the question and you are done. But if you obtained your health insurance another way or don't have insurance because you meet one of the exemptions, you will need to provide more detailed data so that this office can complete the required new forms.

The potential new tax documents you may receive include 1095A, 1095B, and/or 1095C. The 1095C is voluntary for 2014. This is issued

by your employer and confirms that you have insurance that meets the ACA requirements. Form 1095B is issued by the insurance company who handles your insurance and is also voluntary for 2014. Both forms become mandatory for 2015. Form 1095A is issued to those people who obtained their insurance through the Marketplace and is mandatory this year. It is critical that you include this document in with your tax paperwork sent to this office as it will be used to prepare Form 8962 which will become part of your 2014 tax return. This form will determine if you must repay your advance healthcare premium tax credit or will get additional credit.

If you meet one of the exemption requirements that

allow you to NOT have health insurance, you must provide this office with the proper documentation to confirm that exemption. We will then prepare Form 8965 and include it with your tax return to confirm this exemption with the IRS. In some cases you must obtain your exemption certificate from the Marketplace, and it may take 2-4 weeks to obtain. If this situation applies to you, please begin the process now to obtain this exemption certificate so that you can send it with your other tax documents. No matter which of these documents you will receive, please be sure to include all of them with your tax paperwork.

ACA Terms and Definitions

ISRP—this stands for Individual Shared Responsibility Payment. This is the “tax” that can be imposed on people who do NOT have qualified medical insurance during the year, and do not qualify for an exemption. This “tax” is calculated on your tax return, and either increases your balance due or reduces your refund. The IRS cannot use their normal collection procedures if you owe this, and do not have a refund to cover the amount due. However, they can reduce refunds in future years to cover this “tax”.

MEC—this stands for Minimum Essential Coverage which is the term that defines a health plan that meets the requirements of ACA. If you have a health plan, but it is not an MEC plan, you could be subject to the ISRP.

PATC—stands for Premium Advance Tax Credit. For someone who obtains their MEC through the Marketplace, they may be eligible for this credit against the premiums they must pay (based on family size and income). This is an ADVANCE and the actual credit allowed is computed on the tax return. Any overpayment must be returned (subject to limitations) and any underpayment of the advance is refunded to the taxpayer.

HSA's and Taxes

HSA's or Health Savings Accounts have been around for years, but have become more prevalent lately. Many insurance plans are now becoming a high deductible health plan with an HSA component. For those of you unfamiliar with these plans, they often work as follows. You have health insurance that imposes a fairly substantial deductible. You are required to pay all medical costs incurred by you or your family up to the amount of the annual deductible. However, you—or you and your employer— may contribute pre-tax money to an HSA account. This account can be then be tapped by you during the year to pay for those medical costs you paid out of pocket. If you end up not using all the funds in the HSA during the current year, you may roll over the funds for use in following years. This is one of the major differences between a Flexible Spending Account (FSA), and an HSA as the FSA has a spend it or lose it component.

Now to the effect HSA's have on your tax returns. If you contribute to an HSA, the amount you (or you and your employer) contributed during the year will be reported on Form 5498-SA. If you withdraw funds from an HSA during the year, you will receive a 1099-SA which shows the total withdrawn. Please note these two forms may be on one sheet of paper. It is imperative that you provide this office with both of these forms. We must report the total amount contributed to the plan during the year to verify that no excess contributions were made. If you did contribute, we will assume you had a qualifying high deductible health plan for the full year and were therefore eligible to contribute the maximum allowed that year. We must also report the amount withdrawn on your tax return as potentially taxable income. Whether this money is taxable depends on what expenses the distribution covered.

Even though many plans now issue debit cards that can only be used at qualified locations (doctor's offices, drugstores, etc.) for medical expenses, we cannot assume that your plan uses this option. You therefore MUST provide us with a detailed list of the all amounts withdrawn from the HSA so that we can then state on the tax return that all funds were for qualified medical expenses and the withdrawal amount is not taxable income. Without the proper documentation from you, we will have to report this income as taxable.

If you have any questions regarding your HSA, please contact your plan sponsor. The plan sponsor may also have the ability to give you a detailed report of distributions made during the year.

Filing 1099's

Just a reminder that if you run a business or have rental property, you may have 1099 filing requirements and will need to be sure to correctly answer questions 14 and 15 on the questionnaire. The IRS now specifically asks about 1099's on the tax return and this office uses the information you provide for these two questions to determine the correct way to answer these questions. Failure to comply with the 1099 filing requirements can subject you to penalties.

To recap, if you pay someone more than \$600 to perform work for you for your business, there may be a filing requirement and you should ask that person to complete a W9 (can be downloaded from www.irs.gov) before you make any payments to the individual.



Energy Credits for 2014

As of this writing, most energy credits have expired. However, there are still a few credits available through 12/31/16. These are geothermal heat pumps, small wind turbines (residential), and solar energy systems. If you believe these credits may apply to you, be sure to provide this office with all relevant details including copies of all invoices for work performed. The work must have been done on your main home or second home, but rentals do not qualify. There is also a credit for fuel cells but this only applies to your principal residence.

Depending on the make and model, there may also be a credit allowed for electric or hybrid vehicles. Because these credits are limited to a certain number of vehicles sold by each manufacturer. As the manufacturer nears the upper limit, the credit is phased out until it is gone completely. If you are considering an electric or hybrid vehicle, talk to your car salesman to determine if the credit may still be available for that model.

USE TAX

Most of the purchases we make every day are subject to sales tax. However, there are times when the seller is not required to charge sales tax, but we ARE still responsible for what is termed USE tax. For example if you purchase something from an online retailer that would have been subject to sales tax if you purchased locally, and the online retailer did not charge you sales tax, this sale is probably subject to use tax. If you did not make any purchases that would be subject to use tax, please be sure to answer question #3 as NO. If you answer YES to this question, please provide a recap of all purchases showing the total amount charged for the item including any shipping and handling charges.

IRA Withdrawals

If you are 70 1/2 or older, be sure to take your required minimum distribution (RMD) from your retirement accounts before the end of the year to avoid a 50% penalty. If you turned 70 1/2 in 2014, you may be able to wait until 4/1/15 to make the first distribution, but you will then need to make two distributions in 2015. Talk to your financial planner about these RMD's

Education Credits

Did you, your spouse, or one of your dependents take college courses in 2014? If so, you may be eligible to take Education Credits on your 2014 return. But which credit is best for you depends on many factors, and you must therefore provide us with detailed information to calculate the best credit for you. In most cases, you will receive Form 1098T from the college or university the student attended. This form is just the tip of the iceberg and often provides very little information on which to base the credit. For example, the colleges are allowed to use Box 1 OR Box 2 on the form. Box 1 shows the tuition that was PAID during the calendar year. Box 2 shows the tuition that was BILLED during the year. Most colleges are using Box 2, but the credits must be based on tuition that was paid. Therefore if your 1098T uses Box 2,

you must also provide this office with detailed billing statements or statements of account showing all the payments made during the year. This would include payments made during the beginning of the year that may have been billed during 2013. These billing statements must clearly show what payments are for tuition and related fees, and what payments are for non-related fees or room and board charges as these amounts cannot be included in the credit calculation.

Depending on the amount of tuition paid and which credit is claimed, you may also be able to factor in books, supplies, and equipment purchased for the classes. Be sure to provide detailed receipts for all these potential expenses so that we can factor them in. Be aware that if the tuition paid is large enough that you have taken the maximum credit allowed,

we will not be able to include these other expenses, but we still request that you provide this information when you first submit your tax documents.

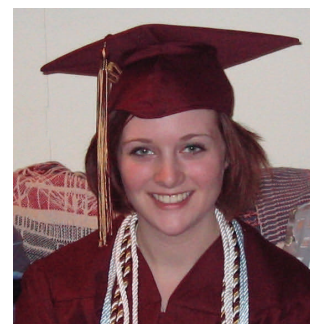
If you or the student took out student loans to pay for the education expenses, please provide all the details as these amounts are considered payments made when calculating the credit.

If you used a 529 plan to pay for college, be sure to include the 1099Q you should have received from the 529 plan sponsor. These amounts must be factored into the credit calculation. If the 529 plan was established by a grandparent, be sure to ask the grandparent if he or she received the 1099Q and to provide you with a copy of the form.

If you used EE savings bonds to pay for education expenses, you may be able to exclude the interest income from your tax-

able income. We will need detailed information on when the bonds were purchased, in whose name the bonds were issued at purchase, and the face value and interest received on the bonds.

Finally, be sure to answer the questions 12 and 13 on the questionnaire. Without this information, we may be unable to calculate your credit.



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*Specializing in personal
 and small business taxes*



Ohio Changes

Two changes to Ohio taxes this year are the increase in the Small Business Tax Credit from 50% in 2013 to 75% in 2014 (it will revert back to 50% in 2015), and the elimination of "double dipping" on exemptions. The second item means children will no longer be able to claim their personal exemption on the state return if the parents are claiming the children as dependents on their return.

Ohio has also moved up the timeline for the final 1% income tax reduction. This cut, which was supposed to take effect in 2015, was moved up this year to be effective retroactively to 1/1/14. You may have seen a change in your state withholding amounts starting after 7/1/14 because of this change.

Ohio's personal exemption amount will also vary from \$1,700 to \$2,200 per person depending on your income. The lower the income, the higher the exemption amount.

Finally, the Ohio Earned Income Tax Credit has been doubled from 5% to 10% of the federal credit IF you are eligible for the Ohio Earned Income Tax Credit.

Ohio has also indicated that they have seen a tremendous increase in ID theft on Ohio returns. As a result, if your return shows a refund, it will be subject to a further review process before your refund will be issued. If your return does not pass this review process, you will be contacted by mail and asked to provide proof of your identity by taking an online quiz. To avoid this, you may want to consider adjusting your state withholding to have a balance due on the state return.

Sharing Your Tax Info

You are applying for a new mortgage loan and your bank wants a copy of your tax return from two years ago. Or you are working with a new financial planner and he wants to discuss your tax situation with your tax preparer. If you think all you need to do is call this office and leave a voice mail or send an email asking us to get this information to someone for you, think again. The IRS requires a very specific disclosure authorization form to be completed. This form must have specific language on it as determined by the IRS. If you want our office to share any of your personal tax data with anyone besides yourself, you must go to our web site at www.sauppeta.com to download and complete a disclosure notice. Once you have completed the form, you may fax it to us at 440-933-3178. Only when we have a properly completed and signed form can we honor your request to disclose any information. If your return is a joint return, each spouse must complete a separate disclosure notice.

Did You Know?

1. Did you know the IRS estimates that taxpayers spend on average 15 hours preparing their tax return. Someone filing a 1040EZ can get by with 4 hours, while taxpayers filing a 1040 with a business schedule (C, E, F, or 2106) are closer to 24 hours.
2. Did you know that according to the National Society of Accountants Annual Fee Survey for 2012-2013, the average fee charged to prepare a 1040 with itemized deductions and one state return is \$301.
3. Did you know that the IRS requires all Enrolled Agents to get a minimum of 16 hours of continuing professional education (including 2 hours of ethics) each year, with a total of 72 hours in 3 years. This office has completed an average of 46+ hours per year during the last two years.
4. Did you know that many professional organizations are calling the upcoming 2015 tax season "The Worst Tax Season in 30 Years" because of ACA?

2014 Mileage Rate—The 2014 rate for deducting business miles is 56.0 cents per mile. The medical rate is 23.5 cents per mile and the charitable rate is 14 cents per mile for 2014. If you accurately complete the mileage section of our annual questionnaire, we will compute this deduction for you. The rates for 2015 are 57.5 cents per mile for business, 23 cents per mile for medical, and 14 cents per mile charitable.

Useful Web Sites—You may want to check out these websites:

Brightscope.com—general information about 401k plans.

Charitynavigator.org - review before you give to get the most out of your charitable dollars

Useful Apps

Flight Tonight or Hotel Tonight—when you have the flexibility to travel at the last minute you can check here for great deals.

Good RX—find the best drug prices

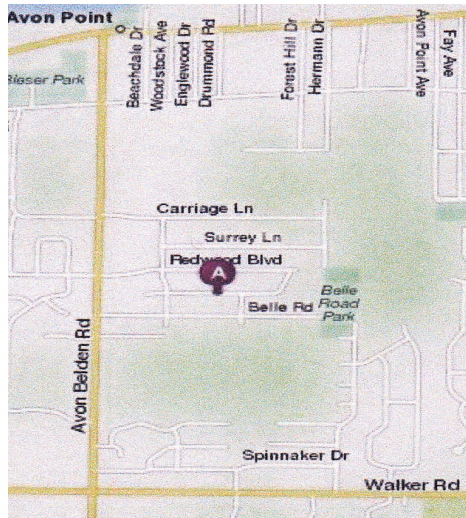
Converter Plus -can convert all kinds of numbers including currency, volume, temperature, and measurements

Lumosity-brain teaser games to keep your brain sharp

NOTE—We do not provide any assurances regarding these apps or websites. .



**Tax
 1040EZ
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 1040S
 1040T
 1040U
 1040V
 1040W
 1040X
 1040Y
 1040Z**



DELIVERY METHODS

Just a reminder there are three ways to provide us with your tax paperwork.

You may send your paperwork by US postal mail (or UPS, Fedex, etc.). We will review the paperwork, contact you with questions, and send the completed returns back to you.

You may drop off your paperwork with no appointment necessary in our locking drop box located by the front door. **Be sure to use the white box and NOT the round tube on top of the box.** You can access this box 24 hours a day, seven days a week, and we check the box every day. Again, we will contact you with questions, and send the completed return back to you.

You can schedule an appointment to review your taxes in person. Call our office at **440-933-3178** or e-mail us at **admin@sauppeta.com** to schedule your appointment. We have day or evening appointments available Monday through Saturday. No appointments will be accepted after March 25th. Only drop offs will be permitted at that time, but these returns may be subject to an extension.

No matter what method you use, your completed questionnaire must be included.

You may also send your paperwork and set up a Skype chat if you have items you would like to discuss but do not have the ability meet at our office. Our Skype name is **Sauppe.tax**. You must set up a time for this chat by calling or e-mailing ahead of time for an appointment as we will not have Skype on all day.

Driving directions—take either Belle Rd., Redwood (pedestrian crossing signs to mark this street), or Carriage Lane from Route 83 to Woodstock. Take Woodstock to Greenwood Dr. and turn east. The office is six houses down on the left hand side.



Checklist



Here is a recap of the items to include in your tax paperwork. This is NOT an all inclusive list, but simply a guideline to assist you in gathering your paperwork

- ____ Completed questionnaire (front and back).
- ____ All W-2's and 1099's including 1099INT, 1099DIV, 1099B, 1099MISC, and 1099R.
- ____ Real estate tax bills paid in 2014 if not included in your monthly mortgage payment.
- ____ All 1098's, 1095's (new healthcare documents— see page 4), and K-1's received.
- ____ Most recent statement or billing notice from your residence and work cities, if applicable (i.e. CCA or RITA).
- ____ Recap of charitable donations segregated by monetary and non-monetary. Be sure to include all required written acknowledgements. If the recap is not completed in full, additional charges may be added to your fee.
- ____ Information on child care expenses paid.
- ____ Any form 1098T's you received from colleges attended by you or your dependents along with the billing statements and details on any other education expenses incurred.
- ____ Recap of medical bills (if you believe they may exceed 10.0% - 7.5% for those 65 and older—of your adjusted gross income).
- ____ Recap of income and expenses (if self-employed) or job expenses if an employee.
- ____ Recap of rental income and expenses (if you own rental property). Please indicate number of days the home was rented, days used by you or a family member, and number of days empty.
- ____ Settlement statements for any homes bought, sold, or refinanced during the year.
- ____ Your 5498 statements (IRA valuation statements) if you have contributed to or made distributions from any retirement plan during the year as well as the year end statements for these accounts.
- ____ Any other tax related paperwork you received or that you think may be relevant.
- ____ Your CD-ROM previously provided to you by this office if you wish us to add this year's data to it.

Taxpayer Name _____

Charitable Donation Recap for 2014

Monetary donations

You may combine donations made to the same organization in this section. For example, if you gave three checks of \$100 each to the Red Cross, you may simply list the total. In this case, since each donation was under \$250, you do not need to provide any receipts from the charity and may enter NO in the last column. For method of payment, indicate check, bank debit, payroll deduction, or cash. If cash, you must include the receipt from the charity recognizing the donation. Please note that any purchase of raffle tickets from a charity does NOT represent a charitable donation. Also, if you receive something of value in return for your donation, your donation must be reduced by the fair market value of that item. The charity will normally provide you with this information.

Name of Charity	Method of Payment	Amount	Any single donation greater than \$250? YES/NO
EXAMPLE: Red Cross	Checks	300.00	NO

Non-Monetary Donations

List each donation separately. In all cases, a receipt from the charity and a list of the items donated with the value assigned to each item must be included with your paperwork. For car donations, a 1098-C should also be included. If the **total** of all your non-monetary donations is under \$500, you do NOT have to complete the last three columns for any donation. However, if the total of all the donations are \$500 or more, the last three columns must be completed for each donation. A valuation guide can be found on our website at www.sauppeta.com. The value assigned to any item must be the smaller of fair market value or your basis (usually your cost). For example, if you found an item on the street and then donated it, your deduction for tax purposes would be zero because you had no cost.

Name of Charity	Date of Donation	Total Value of Items Donated	How Acquired by Donor	Date Acquired by Donor	Donor's Basis
EXAMPLE Goodwill	12/15/13	\$75	Purchased**	12/5/01**	\$600**

** Not needed if the total non-cash donations are less than \$500.