

# 2019 · AS SOMEONE WHO IS WORKING, WHAT ISSUES SHOULD I CONSIDER WHEN REVIEWING MY 2018 TAX RETURN?

FAMILY AND FILING ISSUES	YES	NO
<p><b>Did you receive the standard deduction of \$12,000 (single) or \$24,000 (MFJ) listed on Form 1040, Line 9?</b> If so, consider bunching charitable contributions into one year and/or bunching, accelerating, or prepaying certain expenses (such as medical expenses and property taxes).</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Are you married and want to protect yourself against liability issues, have a large disparity between your incomes, have large itemized deductions, or have income-based student loans?</b> If so, consider preparing your tax return as both Married Filing Jointly and Married Filing Separately to determine the net tax liabilities. MFS may generate a smaller tax liability.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Are you recently divorced or has your spouse passed away recently?</b> If so, review your filing status (located at the top of Form 1040).</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you have dependent children (first page of Form 1040)?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ If your MAGI is below \$200,000 (single) or \$400,000 (married), check Form 1040, Line 12, to make sure you have claimed the Child Tax Credit.</li> <li>■ If you have children under age 13, check Form 1040, Line 12, and Schedule 3, Line 49, to see if Child and Dependent Care Credits were claimed.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Are you (or your dependent children) in college?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ If MAGI is below \$58,000 (single) or \$116,000 (MFJ), the check Schedule 3, Line 50 to see if the Lifetime Learning Credit has been claimed. Credit is calculated on Form 8863.</li> <li>■ If MAGI is below \$90,000 (single) or \$180,000 (MFJ), check Form 1040, Lines 17c to find if the refundable portion of American Opportunity Tax Credit has been claimed. Credit is calculated on Form 8863.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you have parents or other relatives that can be claimed as dependents?</b> If so, you may be able to claim them as a dependent, receive the Child and Dependent Care Tax Credit, and deduct medical expenses you paid on behalf of your parent or relative. (continue on next column)</p>	<input type="checkbox"/>	<input type="checkbox"/>

FAMILY AND FILING ISSUES (CONTINUED)	YES	NO
<p><b>Was there any AMT (Form 6251)?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>■ Review strategies to reduce AMT, such as minimizing large capital gains or lowering income by maxing out retirement contributions.</li> <li>■ If you paid a significant amount of AMT in 2017, check Form 8801 to see if you received a credit.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Did you have to pay more tax (Form 1040, Line 22) or did you receive a higher refund (Form 1040, Line 19) than expected?</b> If so, determine if this is a unique situation (such as selling a highly appreciated investment) by comparing taxable income from the last two years' tax returns.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Did you fail to withhold enough taxes (Form 1040, Line 23)?</b> If so, review Form 2210 to see the amount of the penalty. Normally, you must pay at least 90% of your current tax liability to avoid a penalty. In 2018, the IRS lowered that percentage to 80%.</p>	<input type="checkbox"/>	<input type="checkbox"/>

INVESTMENT INCOME ISSUES	YES	NO
<p><b>Is any interest being reported (Form 1040, Line 2a and 2b) or dividends being reported (Form 1040, Line 3a and 3b)?</b> If so, reference Schedule B to understand which accounts are generating the interest and whether the dividends are ordinary or qualified.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Is your earned income (e.g. wages or earnings from self-employment) above \$200,000 (single) or \$250,000 (MFJ)?</b> If so, you may be subject to the Additional Medicare Tax of 0.9% (calculated on Form 8959).</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Is your MAGI above \$200,000 (single) or \$250,000 (MFJ), and you have significant Net Investment Income (calculated on Form 8960)?</b> If so, you may be subject to the Net Investment Income Tax of 3.8%.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Were there any capital gains (or losses) reported (Form 1040, Line 6)?</b> If so, see Schedule D, Line 13, for Capital Gain Distributions. See Schedule D, Line 6 and Line 14, for short term and long term loss carryovers, ensuring that they have been carried over from previous tax returns.</p>	<input type="checkbox"/>	<input type="checkbox"/>

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QUALIFIED PLAN ISSUES	YES	NO
<b>Are you making contributions to a Traditional IRA (Schedule 1, Line 32)?</b> If so, the maximum IRA contribution in 2018 is \$5,500 (\$6,500 if you are age 50 or over). Reference “Can I Make a Deductible IRA Contribution” flowchart.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Are you making contributions to a Roth IRA?</b> If so, contributions are not reported on Form 1040, unless you are taking advantage of the Retirement Savings Contribution Credit. The maximum Roth IRA contribution in 2018 is \$5,500 (\$6,500 if you are age 50 or over). Reference the “Can I Contribute to My Roth IRA?” flowchart.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do you have an inherited IRA?</b> If so, make sure that your RMD has been satisfied and that it has been reported (Form 1040, Lines 4a and 4b).	<input type="checkbox"/>	<input type="checkbox"/>
<b>Are you making contributions to an HSA (reported on Form 8889 Lines 2 or 9)?</b> If so, consider the following: <ul style="list-style-type: none"> <li>■ The maximum HSA contribution in 2018 is \$3,450 for a single plan and \$6,900 for a family. See “Can I Make a Deductible Contribution to my HSA” flowchart to see how much you can save in the HSA.</li> <li>■ If you contribute to your HSA through payroll, it will be reflected in lower wages reported on Form 1040, Line 1, and your W-2, along with your pay stubs.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Have you ever made a non-deductible IRA contribution (Form 8606)?</b> If so, make sure the cost basis is being tracked properly.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Did you take an early, non-qualifying distribution from an IRA (Form 1040, Line 4b)?</b> If so, the penalty is calculated on Form 5329 and carried over to Schedule 4, Line 59.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Did you take a non-qualified distribution from a 529 account?</b> If so, file Form 5329 to calculate the penalty. The penalty is carried over to Schedule 4, Line 59. Reference “Is The Distribution From My 529 Plan Taxable?” flowchart.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Did you convert amounts from a traditional IRA to a Roth IRA?</b> If so, check Form 8606 to ensure that the amount converted is reported and any non-deductible IRA contributions which were converted are treated as non-taxable. (continue on next column)	<input type="checkbox"/>	<input type="checkbox"/>

QUALIFIED PLAN ISSUES (CONTINUED)	YES	NO
<b>Did you rollover retirement funds during the tax year from one account to another (e.g., 401(k) to IRA)?</b> If so, ensure that it is treated as a rollover and not a distribution by verifying that Form 1040, Line 4a, shows the amount of the rollover. Form 1040, Line 4b, should be \$0 if no distributions occurred.	<input type="checkbox"/>	<input type="checkbox"/>

INCOME RELATED ISSUES	YES	NO
<b>Are you a W-2 employee?</b> If so, consider reviewing your W-2 to look for the following: <ul style="list-style-type: none"> <li>■ HSA &amp; FSA contributions from both yourself and your employer.</li> <li>■ Retirement plan contributions and employer matching.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do you have stock options &amp; equity compensation (ISO, RSUs)?</b> If so, consider the following: <ul style="list-style-type: none"> <li>■ Review your W-2 and Schedule D to understand your tax on exercising and on eventual sale (if applicable).</li> <li>■ If you filed an 83(b) election, review your tax return to make sure you attached an 83(b) election form.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

OTHER ISSUES	YES	NO
<b>Are there state-specific issues that should be considered?</b> Some states offer tax credits and/or deductions for 529 plan contributions. Review your state’s rules to see if you qualify.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do you own rental real estate?</b> If so, review Schedule E to see what expenses you deducted on the rental property.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Did you make payments on any student loans?</b> If so, check to see if interest has been deducted (Schedule 1, Line 33). Subject to eligibility.	<input type="checkbox"/>	<input type="checkbox"/>