2023 TAX READY CHECKLIST

The 2023 tax season is officially upon us with the starting date being January 23rd. It's time to start organizing your tax documents so your tax preparer can quickly and accurately file your tax return with the IRS. Tax season can be a very stressful time but by following this handy guide you will be organized and ready to file in no time!

Getting Started:

The documents you tax preparer will need depend on your unique circumstances. For most people a **W2** will be the main document you want to submit. However if you did freelance work in the past year you will need to submit a **Form 1099**. We will break down the forms below.

It's also important to understand that taxes will look different this year than they have in the past two years. This tax season marks the end of tax credits that were put in place during the **COVID-19** pandemic. **The Inflation Reduction Act** also contributes to the changing tax credits that tax preparers and taxpayers have to navigate this tax season.

W2 Forms

If your employer automatically takes taxes out of your paycheck then they are required by law to provide you with a W2 by **February 1st.**

Before filing you will need to make sure you have:

- **Form W2** from your employer(s)
- **Form(s) 1099** from other sources of income including; unemployment, dividends, pension, annuity, or retirement funds.
- **Form 1099-K** and **1099-Misc.** If you have; sold good online, done food delivery (doordash, uber eats, grubhub), provided on-demand freelance services, or renting of property (Air BnB).

  Note: *This is not a comprehensive list, if you need more information check out the provided links.*
  https://www.irs.gov/businesses/understanding-your-form-1099-k
  https://www.irs.gov/forms-pubs/about-form-1099-misc

- **Form 1099-INT** if you received interest payments
- **Form 1095-A** of you purchased healthcare through the health insurance marketplace

Freelance Forms

If you are freelance or self-employed then you will not have a **W2** to submit, instead you will need to have your taxes prepared as a 1099 employee. Being self-employed is great but it does mean filing your taxes becomes a bit more complicated. That's why we highly recommend seeking out a tax professional.

Before filing you will need to make sure you have:

- **Form 1040** is a basic form used by everyone who reports an income
- **Schedule C** is a form submitted in addition to the 1040 form for those who are self-employed or an independent contractor
- **Deduction:** As a freelance worker/ independent contractor you have a variety of items you can claim as business expenses, just be sure to properly document all transactions. This list includes (but is not limited to); gas, office supplies, business meals, advertising, equipment fees, ect.
- **Investments:** Dividends from financial investments are taxable. Check with your broker before submitting additional forms such as 1099-DIV.

Unemployment Forms

The recent economic uncertainty has affected many Americans. If you collected unemployment benefits in 2022 then you are not alone.

Before filing you will need to make sure you have:

- **Form 1040** is still required as unemployment is considered a taxable income
- **W2** is a required form if you worked for any portion of 2022
- **Form 1099-G** can be obtained from your local unemployment office and is required if you collected unemployment in 2022
- **Investments:** Just because you might not have worked all of 2022 doesn't mean you didn't collect dividends on your investments. As stated earlier, check with your investment broker for the proper forms

Conclusion

We hope this checklist assists you in preparing and filing your taxes. Taxes can be complicated and we highly recommend consulting a **tax professional** in order to maximize your returns and take the guess-work out of taxes.

If you are interested in tax preparation services please reach out: