$ederburg & Associates

INCOME TAX & ACCOUNTING SERVICE:

Bookkeeping*Payroll*Business Start-up*IRS Audit Assistance*
Offers in Compromise & more!

Phone: (636) 928-1040 **Fax:** (636) 441-1040
E-Mail: sederburg1040@taxteam1040.com

3023 N. St. Peters Pkwy
St. Peters, MO 63376

809 E. Pearce Blvd
Wentzville, MO 63385

2434 Hwy. K
O'Fallon, MO 63368

From The Desk of John Sederburg

INCOME TAX PROFESSIONALS ON STAFF

JOHN SEDERBURG** EA, RTRP ***MIKE LAROSE CPACHRISTINE HARRIS *JOE WHELAN EA, RTRP*DALE LINDEMANN *DANIEL BYRD*MORRIS HUNT EA,*MAUREEN DETZ, EA*DOUGLAS OSGOOD EA*BOB EUBANK EA, CPA*ANNA GRIFFIN EA*PAT FAUL*JOHN LUBY EA*CINDY HAGEN*LOIS SCHUBERT*JAN MEINECKE*KATHY SURMAN*KAREN MUNGER*SAMANTHA CHISM*

Our preparers have an average of 25 years experience as paid tax professionals w/over 50 hrs of continuing EDU. per year!

THANK YOU FOR YOUR REFERRALS!

We're sure you always want to make **$20 CASH** per referral and in doing so, automatically enter to win year-end prizes. However, this year, more than ever, it is us who will be most thankful! We sincerely thank you for supporting our (and all) small business when it really, truly counts😊

SHRED DAY

SATURDAY, MAY 8, 2021–9:00am-12:00pm *****FREE*****

WALK-IN TUESDAYS (BOSS MAN)

Have your taxes prepared by John Sederburg, no appointment necessary—wait in your vehicle after announcing your presence.

$AVE FIVE DOLLAR$

Last year, we collected over 900 food items. Please bring us five (5) or more (preferably more) non-perishable items, we will reduce your tax preparation fee by ($5.00). Food will be donated to local area food banks.

Affordable Health Care Act (OBAMACARE)

If you obtained health insurance through an exchange, you will need a 1095A, but penalties are gone! If you had no Obamacare in 2020 there's no need to bring anything or prove you had insurance any longer.

E-NEWSLETTER

We send out E-Newsletters on a semi-quarterly basis. If you would like to receive updates regarding taxation, filing and payment deadlines, along with information regarding events like our annual Shred Day, please be sure and give us your E-Mail address.

SCAMS

Letters, phone-calls OR e-mails demanding immediate collection action should always be treated as scams!

LATE FILING PENALTIES: 1099 and W2

If you are required to issue Form 1099 or W2, these forms must be issued by January 31. That means that the forms must be mailed to the employee or contractor and the IRS by January 31. The penalty for filing after that date is $510.00 PER late filed form. If you have several employees or contractors, late filing can be costly.

REFERRAL/T.V. WINNER!

Michael & Amy Nevels referred co-workers, friends and family – receiving $20.00 cash per referral – AND won a flat-screen TV in our annual drawing. Start dropping your name in the hat today by sending your friends our way! **Congratulations & Thank You to the Nevels!**

Thank you for choosing Sederburg & Associates to prepare your Tax Returns. The knowledge and experience of our Accounting Associates allows us to take great pride in the services we offer. Our staff prides itself in doing everything possible to put your mind at ease during this stressful time. We hope that we've accomplished this goal and can continue to fulfill your needs. Please call us when you are considering financial decisions that may impact your tax returns—such as: starting new businesses or withdrawing IRA funds, etc. Remember, we are here year-round with Tax Professionals on staff to answer your questions, provide audit assistance, complete returns from years past, and/or amend them.

We are looking forward to seeing you again next year. Thank you for trusting us with your business.

Many Happy Returns,

John A. Sederburg, Enrolled Agent

Sederburg & Associates • Income Tax Service •

TAX PLANNING—BEFORE 2021

- ✓ *The basic strategy for year-end tax planning can be summed up as follows:*
  - *Channel income into the year where it will be taxed at a lower rate*
  - *Channel deductions into the year where your income will be taxed at a higher rate*
- ✓ *Schedule a tax planning consultation*
- ✓ *Employees—increase pretax deductions*

- ✓ *Sell long term investments if you know your 2020 income dipped*
  - ✓ *Gift up to $15,000.00 (per recipient) w/out having to file a gift tax return!*

CHARITABLE CONTRIBUTIONS OFT OVERLOOKED:

- *PTA DUES*
- *FOOD FOR SALE AT SNACK BAR*
- *FUNDRAISERS–BAKE SALE*
- *TREATS FOR AFTER GAMES*
- *TREATS FOR CLASSROOM*
- *FOOD FOR GROUP ACTIVITIES*
- *CLASSROOM SUPPLIES*
- *BIRTHDAY CELEBRATIONS*
- *HOLIDAY GIFTS FOR CLASSROOM*
- *SUNDAY SCHOOL CLASS SNACKS*
- *FOOD FOR CHURCH SOCIAL*
- *MILEAGE TO:*
  - *PRACTICES, GAMES, TEAM MEETINGS*
  - *FIELD MAINTENANCE OR OFFICIATING*
  - *GAMES FOR SCORE/TIMEKEEPER*
  - *OTHER FIELDS TO SCOUT*
  - *WORK SNACK BAR*
  - *BOARD MEETINGS*
  - *SHOP FOR SUPPLIES*
  - *DELIVER ITEMS SOLD FOR FUNDRAISER*
  - *WORK IN CLASSROOM*
  - *PTA MEETINGS*
  - *CHAPERONE FIELD TRIP*
  - *DRIVE CHILDREN ON GROUP ACTIVITIES*
  - *TEACH SUNDAY SCHOOL*

IDENTITY THEFT—IF YOU RECEIVE AN IRS PIN #, BRING IT IN!

If you, your spouse or dependent's identity has been used to file another Federal Income Tax Return we will know as soon as we attempt to file your return. This typically indicates identity theft. We will proactively urge you to mail an Identity Theft Affidavit along with your signed income tax return to the IRS (and state) for processing. A copy of your driver's license should be attached to the Identity Theft Affidavit. The IRS will process your tax return manually. The process may take up to six months.

What to expect thereafter:

1. The IRS may contact you for additional information, ONLY VIA MAIL—NEVER BY PHONE OR E-MAIL.
2. The IRS will mail you an identity theft pin number each year. That number must be entered on your tax return each year.

Other actions we recommend:

1. File a police report
2. Alert the credit bureaus
3. If the credit bureaus reveal problems, file a complaint with the FTC

WHEN YOU CARE ENOUGH TO SEND THE VERY LEAST

PHONE: 636-928-1040
E-MAIL: SEDERBURG1040@TAXTEAM1040.COMFAX: 636-441-1040

COVID-19 SAFETY AND PROCEDURES

WHAT WE'RE DOING AND WHAT YOU CAN DO!

- ✓ WE ASK THAT YOU FOLLOW THE SAME PROCEDURES AS OUR STAFF:
    - WEAR FACE MASKS/SHIELDS/COVERINGS
    - WASH HANDS, LIMIT FACE-TOUCING AND TAKE EACH INDIVIDUALS TEMPERATURE UPON ENTRY
- ✓ WE'RE REQUESTING THAT FACE-TO-FACE (1HR) APPOINTMENTS BE <u>LIMITED TO NEW CLIENTS AND CLIENTS WITH SIGNIFICANT CHANGES TO THEIR TAX FILING NEEDS</u>!
- ✓ IF YOU CAN'T JUST DROP-OFF YOUR TAXES PLEASE FOLLOW THE ABOVE RECOMMENDATIONS, THEN:
    - AFTER ANNOUNCING YOUR PRESENCE, PLEASE WAIT IN THE CAR, IF WE CAN'T TAKE YOU RIGHT BACK
        - WE'LL CALL YOU WHEN ITS TIME TO HEAD BACK WITH YOUR ACCOUNTANT
- ✓ IF YOU ARE HERE FOR WALK-IN TUESDAY
    - PLEASE ANNOUNCE YOUR PRESENCE/LEAVE CELLPHONE # AND WAIT IN THE CAR,
        - WE'LL CALL YOU WITH QUESTIONS OR WHEN ITS DONE

ALL OTHERS:

- ✓ DROP-OFF, EMAIL, FAX <u>OR REQUEST A ZOOM MEETING</u>!
    - PLEASE SPECIFY IF YOU WANT YOUR APPOINTMENT TO BE VIA ZOOM (we only have one zoom station)!
- ✓ IF YOU ARE DROPPING OFF:
    - PLEASE FILL OUT DROP-OFF SHEET
    - WE'LL CALL YOU WHEN ITS DONE, (unless we want you to wait while we finish them)
    - KEEP IN MIND
        - THE LATER IN THE SEASON YOUR TAX INFORMATION IS DROPPED, THE LONGER THE QUEUE YOU'LL FIND YOURSELF ADDED TO
    - SO GET US ALL YOUR INFO AS SOON AS YOU HAVE **IT ALL!**

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2020 TAX DOCUMENT ✓ LIST

- ☺ Social Security numbers and birthdates for everyone included on your return (spouse, children, parents, etc.) **New clients only**
- ☺ Last year's tax return—**New clients only**
- ☺ Amount of state and local income tax paid in 2020.
- ☺ All forms that say W-2, 1095, 1098, 1099, K-1
- ☺ Interest and Dividends
- ☺ Rents and Royalties
- ☺ Social Security and Railroad Retirement
- ☺ Record of other income (rental, jury duty, gambling, hobby, alimony, etc.) and expenses, if applicable
- ☺ Income and expense records for work you performed (not already shown on a W-2 or 1099)
- ☺ Purchase date and your total investment in any stocks or other property you sold
- ☺ Qualified educational expenses-College Tuition—1098-T
- ☺ Teachers out-of-pocket expenses
- ☺ Student loan interest
- ☺ State & Local Income Tax REFUND Amount
- ☺ Long Term Care Insurance Premiums
- ☺ Refinance points--provide settlement statement
- ☺ The expenses incurred as a National Guard member or an Armed Forces reservist
- ☺ Records of any contributions you made to IRA's or other retirement plans
- ☺ Records for mortgage interest, real estate and personal property tax
- ☺ Records of amounts donated to houses of worship, schools and other charitable organizations

For each Charitable Contribution over $250 you must have a receipt which states that you received no goods or services in exchange for your donation(s)!

- ☺ Records of value for non-cash charitable donations
- ☺ Number of miles driven for charitable and/or medical purposes
- ☺ Amounts paid for health care insurance, drugs and to doctors, dentists, hospitals, etc.
- ☺ Records to support childcare and higher education costs.
- ☺ Unemployment income (if applicable)

OUTSIDE COLLECTORS FOR IRS DEBT:

As we noted in a previous E-NEWSLETTER, the IRS will begin using outside collection agencies to collect some past due balances. The IRS will send written notification to you before your account is transferred to an outside agency and will send a confirmation letter to you after the account has been transferred. If you are contacted by someone attempting to collect past due tax amounts and have not received written notification from the IRS, it is probably a scam. The outside collectors are required to follow the same fair collection processes employed by the IRS. Also note that any payments you make in conjunction with the collection process are still to be made only to the "United States Treasury".

SETTLE TAX DEBT FOR PENNIES:

Do you, or someone you know, owe the IRS a significant amount in back taxes? We can help. We have helped clients negotiate payments down to less than 10 cents on the dollar. Make an appointment for a free consultation.

IRS OR STATE NOTICES AND LETTERS:

There are two important things to remember if you get a notice relating to your income tax:

1. Don't ignore it. The issue that gave rise to the notice will not go away on its own.
2. Get us a copy. We can determine what needs to be done and take appropriate action, but we need to see exactly what the taxing authority is saying. REMEMBER THAT UNSCRUPULOUS INDIVIDUALS OFTEN ATTEMPT TO EXTRACT MONEY BY PURPORTING TO BE THE IRS. SCAMS CONTINUE TO EVOLVE. ALWAYS CHECK WITH US BEFORE SENDING MONEY.

Also, remember that the IRS will not initiate contact by phone, e-mail, or social media. The initial contact for proposed changes to your return or to remind you of balances due will always be by mail. Further, they will not demand payment over the phone. **IF IRS CALLS/HANG-UP!**

Once you have turned the notice over to us, please be patient. It often takes several months to get the issue cleared due to IRS understaffing.

ITEMIZED DEDUCTIONS

10% AGI Medical Expenses 2020

Medicare	
Medical Insurance	
Long Term Health Care Premiums	
Doctors	
Dentists	
Orthodontic & Dentures	
Eye Glasses & Contacts	
Hearing Aids & Batteries	
Chiropractors	
Hospitals	
Prescriptions	
Ambulances	
Lab Fees & X-Rays	
Number of Medical Miles	
Travel Expenses	
Other	
Total of Above Reimbursements	

Interest 2020

Home Mortgage Interest Paid	
Home Mortgage Paid Individual	
Name	
Address	
ID#	
Points	
Investment Interest	

MILITARY (ONLY) MOVING EXPENSES

Number of Miles from your Old Home to New Workplace	
Number of Miles from your Old Home to your Old Workplace	
Moving & Storage of Household Goods & Personal Effects	
Travel & Lodging Expenses of Moving (No Meals)	
Reimbursement NOT shown on W2's	

Taxes 2020

State Tax Withheld	
State Estimated Tax Paid	
Prior Year State Taxes Paid	
Real Estate Taxes Paid—Residential	
Personal Property Taxes	
Other Taxes Paid	

MISCELLANEOUS	
Education	
Impairment Related Work Expenses	
Gambling Losses	
Other	

Charitable Contributions 2020

Churches	
Other Cash Contributions	
Property Donated	
Charitable Auto Mileage	
Non-Cash: Gifts-Food-Clothing	
Carryover	
Other	

Care Provider	Street Address	City, State & Zip	SSN or EIN	Paid 2019/2020	

Estimated Payments		1st Payment		2nd Payment		3rd Payment		4th Payment	
Taxpayer, Spouse, Joint	2019 Refund Applied to 2020	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount
Federal									
State									
Other									

Things to Bring

1095's (proof of insurance)*W2s*Business Income*Rental Income*W2G Gambling Winnings*1099Int*1099Div*Other 1099s* K-1s*Last Years' Returns (new clients)*SS Cards (new dependents)*Stock Info (Date Acquired/Cost & Date Sold/Sale Price)*1098Int Paid*1098T Tuition Paid*