

From the desk of Daiva Silbajoris, EA

2023 TAX PREPARATION CHECK LIST

INCOME

- ☐ Wages
- ☐ Interest & Dividend Income (including foreign bank accounts)
- ☐ Unemployment
- ☐ Miscellaneous Income
 - Gambling & Lottery Winnings
 - Jury Duty
 - Cancelled Debt
 - Social Security
 - Alimony Received
 - State Income Tax Refund
- ☐ Pensions, Annuities & IRA Distributions
- ☐ Self-Employment Income from Business
- ☐ Rent or Royalty Income
- ☐ S Corporations, Partnerships, Estates & Trusts
- ☐ Sales of Property (Gains or Losses)
 - Stocks, Bonds & Mutual Funds, Cryptocurrency
 - Sale of Real Estate - Principal residence excludable up to \$250,000 (\$500,000 for MFJ)
(If you purchased or sold property, or refinanced a mortgage, have your closing statements available.)
- ☐ Cryptocurrency – must disclose any financial interest in any virtual currency or asset

2023 FEDERAL CREDITS/DEDUCTIONS – *may be subject to Adjusted Gross Income limitations*

- ☐ **Educator Expense** – max \$300 above-the-line deduction includes PPE (face masks, face guard, etc.)
- ☐ **American Opportunity Tax Credit** - up to \$2,500 credit per family for the first four years of post-secondary education.
- ☐ **Lifetime Learning Credit** - up to \$2,000 credit per family for **any** post-secondary education.
- ☐ **Energy Credit** - For 2023 the credit has increased to a \$1,200 **annual** credit limitation.
 - Windows & skylights credit is up to \$600 and doors are \$250 (\$500 for all exterior doors).
 - Residential Property (central air, water heaters, furnaces & boilers) have a credit of \$600 per item.
- ☐ **Residential Energy Property Credit** (Solar or Geothermal) – credit has been increased to 30% for property placed in service in 2022 through 2032.
- ☐ **Charitable Contribution** – now only available to those who itemize deductions.
- ☐ **Premium Tax Credit** – may be available if you purchased health insurance through The Health Insurance Marketplace. Bring in your 1095-A form so we can reconcile the payments.

- ☐ **Gifts** - The annual gift tax exclusion is \$17,000 for 2023 per donee. (Increases to \$18,000 for 2024.) Any gift exceeding the annual exclusion requires a Gift Tax Return to be filed.

(over)

DEDUCTIONS

- ☐ IRA, Keogh & SEP Deductions - IRA & Roth IRA deduction up to \$6,500 (+ \$1,000 if over 50 years old)
- ☐ Self Employed Health Insurance Premiums (includes Medicare premiums)
- ☐ Student Loan Interest Deduction – up to a maximum of \$2,500
- ☐ Moving Expenses – for military personnel only
- ☐ Medical - must exceed 7.5% of income
 - Doctors, Dentists & Nursing Care
 - Lab fees & exams
 - Prescription medicines & insulin - Not OTC
 - Prescribed Stop-Smoking Programs
 - Long Term Care Insurance Premiums
 - Eye glasses, contact lenses & eye exams
 - Medical & Hospital insurance premiums
 - Transportation for medical purposes
 - Orthopedic aids & support equipment
 - Nursing Care
- ☐ Taxes (SALT) – **Limited to \$10,000**
 - State and local income taxes **OR** General Sales Tax (including autos, boats, etc.)
 - Real estate taxes
 - State or local personal property taxes
- ☐ Interest
 - Home mortgage interest – limited to \$750,000 mortgage
 - Points
 - Mortgage Insurance Premiums may qualify as deductible interest
 - Home equity loan interest – for acquisition or home improvement only
 - Investment Interest
- ☐ Contributions (Must have a receipt or bank record for **ALL** contributions)
 - House of Worship
 - Nonprofit organizations
 - Nonprofit schools & hospitals
 - Public parks & recreational facilities
- ☐ Used clothing and Goods-In-Kind - find the fair market value at www.satruck.org/donation-value-guide
- ☐ Used Autos - Need acknowledgment from the charity with details of the auto's disposition
- ☐ Casualty Losses – only applicable to Federally Declared Disaster areas

UPDATE FOR 2023

- ☐ **Required Minimum Distributions (RMD's)** – must begin no later than April 1st in the year following turning 73 years old.
- ☐ **Qualified Charitable Distributions (QCD's)** – Taxpayer's 70 ½ or older can make QCD's directly to a qualified charity (by the trustee) and not include these amounts (up to \$100,000) in income.
- ☐ **Clean Vehicle Credits** – maximum credit of \$7,500
 - Requires critical mineral and battery capacity component
 - Credit only available to AGI under \$300,000 (MFJ) or \$150,000 (Single)
 - Non-refundable and cannot be carried forward to future year
- ☐ **IDENTITY PROTECTION PERSONAL IDENTIFICATION NUMBER** – Victims of Identity Theft may request an IP PIN to be used to sign your 2023 returns. All future returns will then require an IP PIN.
- ☐ **Beneficiary's of 529 accounts** – can rollover unused funds to a Roth IRA account.
 - Lifetime limit of \$35,000.