



Writer's Email: Nikki@MsNAPS.com

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Dear Client(s):

As the 2021 Tax Filing Season approaches, I wanted to take a moment to provide an update as to how my scheduling will look in the coming months. I will be in my office Monday - Wednesday, with flexibility for Sunday appointments. I will not be in my office on Thursdays or Fridays.

As always, I will continue to accommodate your unique schedule(s), as much as possible.

**2021 TAX SEASON HOURS**

**Monday: 8:00am – 6:00pm**

**Tuesday: 8:00am – 6:00pm**

**Wednesday: 8:00am – 6:00pm**

**To schedule an appointment:**

- Online: <https://calendly.com/msnapstaxlady>
- Email: Nikki@MsNAPS.com
- Call: (715) 246-7774
- Text: (715) 338-4990

In the age of COVID, I am encouraging you to drop off your tax documents or upload them via my secure client portal (<https://msnaps.securefilepro.com>) and allow me to prepare the return prior to meeting with you, as this will limit your exposure and mine. I will call you for additional information needed and to schedule a mutually convenient time to review and sign (usually within 24 hours).

NOTE: Please do not attach confidential documents to emails!

If you do not know how to upload your documents to my secure client portal, please contact me for instructions.

For your convenience, I have attached a 2021 Checklist. **In addition to the documentation you usually provide, please be prepared to provide the amount(s) you received for EIP3 (the third stimulus payment issued mid-March 2021) and, if applicable, the amount(s) you received for Advanced Child Tax Credits.** Reconciliation of these two items is required on the 2021 return – instructions for obtaining this info can be found on page 2.

In 2021 we saw multiple tax law changes which affected 2020 returns; some of which went into effect mid filing season. Tax law changes coupled with IRS backlogs created a storm, which has yet to subside. In 2022 we will see more tax law changes take effect with still more proposals for additional tax law changes already in the pipeline.

**IMPORTANT: Information Pertaining to the 2021 American Rescue Plan Act (ARPA):**

On March 11, 2021, the President of the United States signed into law the American Rescue Plan Act (ARPA) that authorized a third round of stimulus payments and advanced payment of the Child Tax Credit. The IRS issued

notices that provided the amounts you received for these payments. This information is necessary to accurately complete your 2021 individual tax return. Information provided below explains what notice you received and how to obtain the information if you no longer have the notice or have yet to receive a letter.

**Stimulus Payment (Economic Impact Payment “EIP”):**

The third round of EIP or stimulus payments began mid-March 2021. Individuals could have received up to \$1,400 (\$2,800 for married couples filing a joint return). Qualifying dependents may have also received \$1,400. Unlike the first two payments, EIP3 was not limited to children under 17. Families may have received the payment based on all qualifying dependents claimed on the 2020 tax return. Notice 1444-C was sent following the payments and Letter 6475 will be issued in January 2022 with a combined total. If you no longer have Notice 1444-C, or have not received Letter 6765, log in to your IRS Online Account to get the accurate amount of EIP3 received.

1. Go to [irs.gov](https://irs.gov).
2. Select “View Your Account Information”.
3. Select “Log in to your Online Account” and follow the prompts provided.

**Advance Child Tax Credit Payments:**

Under ARPA, the maximum amount for the Child Tax Credit (CTC) was increased from \$2,000 to \$3,600 for each child 5 years old or under. For children ages 6 – 17, the maximum increased to \$3,000. In July 2021, eligible families that did not opt out began receiving advanced CTC payments up to \$300 per month for each child age 5 and under and up to \$250 for each child between the age of 6 and 17. The IRS will issue Letter 6419 to provide the amount received per taxpayer and how many children were taken into account to determine the amount received. If you no longer have Letter 6419, or have not received it, follow the directions above to log in to your online account to access the Child Tax Credit Update Portal or log directly into the portal using the instructions below. For married couples filing a joint return, the taxpayer and spouse will both need to log in to get the amount apportioned to each taxpayer.

1. Go to [irs.gov](https://irs.gov).
2. Select “Child Tax Credit Update Portal”.
3. Select “Manage Advance Payments” and follow the prompts provided.

**CRYPTOCURRENCY (Virtual Currency):**

**I am requesting that my clients** utilize the cryptocurrency conversion platform of their choice and **present to the tax appointment with a Form 8949 in hand**. The following are cryptocurrency conversion platforms I am aware of: Changelly.com, Bear.Tax, Bitcoin.tax, Cointracking.info, Cryptotax.com, CryptoTrader.pro, Cointracker.io, Koinly.io, TaxBit.com, TokenTax.co and ZenLedger.io.

According to tax law, virtual currency is (usually) treated as property (capital asset) and tax reporting is required for all sales and trades. Gain/loss associated with a sale, trade or gifting of cryptocurrencies is complicated; however, the cryptocurrency conversion platforms assist with tracking basis and producing Form 8949, which must be included on the return to reconcile amounts that are reported to you and the IRS on Form 1099-B or 1099-S (or substitute statement).

If you receive virtual currency for services you provide, or are involved in mining, it is considered self-employment income; **please be sure to inform me of any income derived from cryptocurrencies.**

If you have any questions or need additional information, please feel free to contact me.

## 2021 CHECKLIST

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This check list is provided to help you gather necessary information for us to prepare your 2021 income tax return. Return this list, along with the supporting documentation, to our office and let us know of any significant changes from your 2020 tax year.

### Stimulus payment (Economic Impact Payment 3 - IRS Notice 1444-C or Letter 6475)

Amount of stimulus payment \_\_\_\_\_

### Advanced payment of Child Tax Credit (IRS Letter 6419)

Taxpayer \_\_\_\_\_

Spouse \_\_\_\_\_

### State and city refunds and other government payments (Form 1099-G)

Unemployment compensation

### Other income (provide supporting documentation for income received for the following items)

Sale of assets or property

Cancellation of debt

Other income \_\_\_\_\_

### Payments (provide supporting documentation for payments made for the following items)

Real estate taxes

Mortgage interest

Other state and local taxes

Medical and dental expenses

Expenses related to child or dependent care

Contributions to a Retirement Savings Account

Cash contributions

Noncash contributions

Investment interest

Investment expenses

Educator classroom expenses

Contributions to a Health Savings Account

Student loan interest

Tuition and fees for higher education

Unreimbursed employee expenses (Minnesota employees filing a MN return)

Gambling losses

### Important Reminders:

- If you purchased, refinanced or sold your home or other property in 2021, bring in your closing papers.
- If you or your dependents were enrolled in college courses in 2021, bring in your 1098T. Ensure that the student gets a copy of this to you if the student is your dependent, as they are the only one that can access this form.
- If you made any noncash charitable contributions, remember to bring all the acknowledgements, or alternatively a summary of your donations, with estimated values for donated goods with you.
- If you are a **SCHEDULE C**, **SCHEDULE E** and/or **SCHEDULE F** filer, please request an organizer for providing your business/rental/farm income - expense and mileage data to me.

**Please understand my time, as well as yours, is limited: please come to your appointment with the organizer completed. If you do not have a profit/loss statement and/or need assistance compiling this data; please contact me ahead of time to discuss a separate engagement for bookkeeping services or referral to an outside source.**