Year-End Tax Planning Checklist

Everyone must pay their taxes, but not everyone engages in timely tax planning. This checklist, while not all-inclusive, breaks down some of the tax planning strategies that should be considered with your financial advisor and tax professional as we approach year-end. It also highlights the various tax documents you can expect to receive in early 2021.

**INCOME TAX CONSIDERATIONS**

- Am I subject to higher Medicare premiums (Medicare Income-Related Monthly Adjustment Amount) due to an increase in income?
- Do I need to minimize risk by diversifying my investment portfolio?
- Can I utilize tax loss harvesting to offset capital gains?
- Can I control income and deductions this year?
- Should I exercise stock options this year?
- Have I maximized my contributions to my health savings account?
- Should I invest in municipal bonds to generate federally tax-exempt income?

**CHARITABLE GIVING CONSIDERATIONS**

- Can I maximize my charitable deduction under the increased 2020 AGI limitation for cash gifts to public charities?
- Should I utilize an itemized deduction bunching strategy by contributing to a Donor Advised Fund (DAF)?
- Do I have highly appreciated assets that could be incorporated into my charitable-giving strategy?

**RETIREMENT PLANNING CONSIDERATIONS**

- Have I maximized my contributions to my retirement plan?
- Should I convert to a Roth IRA this year?
- Should I take (or return) my required minimum distributions (RMDs) from (to) my retirement accounts this year, given the waiver under the CARES Act?
- Am I retiring this year, and if so, am I financially prepared to do so?
ESTATE PLANNING CONSIDERATIONS

❑ Have I reviewed my estate plan documentation?

❑ Should I utilize the $15,000 annual gift tax exclusion this year?

❑ Should I gift assets to children or grandchildren to reduce future estate taxes?

❑ Should I pay for my children’s or grandchildren’s medical bills or college education directly instead of giving them cash?

SMALL BUSINESS OWNER CONSIDERATIONS

❑ Have I maximized my contributions to my retirement plan?

❑ Can I control income and deductions this year?

❑ Can I claim the 20% Qualified Business Income (QBI) deduction this year?

❑ Do I have a succession plan for my business?

TAX DOCUMENTS YOU MAY NEED

❑ Copies of your 2018 and 2019 income tax returns

❑ W-2 from your employer

❑ Brokerage statements (1099-B) and any statements showing investment purchase/sale dates

❑ Dividend and interest statements (1099-DIV, 1099-INT and 1099-OID)

❑ Social Security statements (1099-SSA)

❑ Retirement plan distribution statements (1099-R)

❑ IRA contribution statements (5498)

❑ Statements reporting profits from partnerships, s-corporations, and trusts (K-1)

❑ Nonemployee compensation statements (1099-NEC)

❑ Miscellaneous income statements (1099-MISC)

❑ Mortgage interest statements (1098)

❑ Student loan interest statements (1098-E)

❑ Receipts or proof of: ❑ Medical/dental expenses ❑ Charitable gifts ❑ Education expenses ❑ Daycare/childcare costs ❑ Energy Efficient Improvements ❑ Other: ________________________________________________________________
IMPORTANT DATES FOR TAX YEAR 2020

12/31/2020: Last day to contribute to qualified retirement plans
1/15/2021: 2020 4th quarter estimated tax payment due
2/1/2021: Deadline for employers to send W-2s/1099s to employees/independent contractors
2/16/2021: Deadline for financial institutions to send consolidated 1099s to individuals (Financial institution may be granted a 30-day extension)
4/15/2021: Last day to contribute to traditional IRA, Roth IRA, and HSA for 2020
4/15/2021: Deadline to file 2020 individual income tax return and pay tax liability or file for an extension with IRS

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