



# Personal Tax Checkup Checklist – 2021

Speak with your tax advisor about items noted as No or Unsure. If an item is not applicable to your situation, leave it blank. This list is not all-inclusive. Consult your tax advisor.

Foundation	Yes	No	Unsure
1. My team of advisors includes the following knowledgeable, responsive individuals who are familiar with my situation and understand my needs and concerns:			
a. Financial Planner	_____	_____	_____
b. Attorney	_____	_____	_____
c. Banker	_____	_____	_____
d. Tax Advisor	_____	_____	_____
e. Insurance Agent	_____	_____	_____
2. I view and analyze my household budget and personal balance sheet on at least a monthly basis.	_____	_____	_____
3. I engage in tax planning with my tax advisor on at least an annual basis. This includes tax projections, advice on the tax implications of various decisions, collaboration with other advisors, etc.	_____	_____	_____
4. My cash position is sufficiently liquid to allow for tax planning moves such as increased itemized deductions, additional retirement plan contributions, making estimated tax payments to minimize underpayment penalties, etc.	_____	_____	_____
5. I am familiar enough with my tax situation to understand if there are opportunities for tax planning, e.g., I have income from multiple sources taxed in different ways.	_____	_____	_____



## Family

Yes

No

Unsure

6. I am taking full advantage of family-related tax credits, such as:

- a. Child Tax Credit
- b. Child and Dependent Care Credit
- c. Earned Income Tax Credit
- d. Adoption Credit
- e. Credit for the Elderly or Disabled
- f. Higher education tuition-related credits

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. I claim the most tax advantageous filing status available to me based on my marital and dependent situation.

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8. Where available, I take a state income tax deduction for in-state 529 plan contributions made.

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9. I have determined if in-home workers, such as nannies, housekeepers, caregivers, etc., meet IRA and state rules to be considered employees. If so, I comply with annual federal and state payroll tax reporting requirements.

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10. Roth IRA contributions have been considered for dependents with wages.

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## Income

Yes

No

Unsure

11. Tax planning has been performed for one-time events that may have significant tax implications, such as the sale of a business, entering retirement, receiving an inheritance, etc.

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12. Tax planning has been performed for employer stock options and other types of executive compensation.

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13. I am aware of the different types of income I generate, how they are treated for tax purposes, ways to legally shield them from taxation, and ways to defer or accelerate their receipt for optimal tax results.

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Deductions	Yes	No	Unsure
14. If I participate in an HSA-eligible, high-deductible health insurance plan, I have contributed the annual maximum to my Health Savings Account.	_____	_____	_____
15. I have optimized the use of Individual Retirement Accounts, including non-deductible and Roth options.	_____	_____	_____
16. I have optimized the use of employer-sponsored retirement plans, such as 401(k) and 403(b) accounts by contributing at least as much as is needed to ensure maximum employer match.	_____	_____	_____
17. I have explored charitable giving in ways beyond donating cash and household items. Additional strategies include:			
a. Contributions of appreciated assets, such as stocks	_____	_____	_____
b. Donations of IRA required minimum distributions	_____	_____	_____
c. The use of donor-advised funds to separate the timing of organization receipt from the year of tax benefit.	_____	_____	_____
18. I have explored deducting unreimbursed, out-of-pocket medical expenses for years of high medical costs with comparatively lower taxable income.	_____	_____	_____
19. I deduct the maximum amount of interest expense allowable including:			
a. Mortgage interest on up to two personal residences (indebtedness limitations apply)	_____	_____	_____
b. Points paid on original loan or refinance	_____	_____	_____
c. Home equity line of credits (use limitations apply)	_____	_____	_____
d. Private mortgage insurance (PMI)	_____	_____	_____
e. Margin/investment loan interest	_____	_____	_____
f. Interest on certain small business investments	_____	_____	_____
20. I deduct the maximum amount of state and local taxes allowable, including			
a. Property taxes on personal-use and investment real estate	_____	_____	_____
b. Ad valorem taxes on personal-use vehicles	_____	_____	_____
c. State and local income taxes	_____	_____	_____
21. If the total of my itemized deductions is close to the standard deduction, I have optimized “bunching” itemized deductions in one year.	_____	_____	_____



## Financial Investments

Yes

No

Unsure

22. I have considered ways of minimizing tax exposure on sales of financial investments, such as:

- a. Holding investment property for greater than a year to avoid short-term capital gain treatment
- b. Selling in years of reduced income to optimize capital gains tax brackets
- c. Gifting or inheritance strategies
- d. Donating highly-appreciated securities to charitable organizations
- e. Offsetting capital gains with capital losses

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23. Where appropriate, taxable investment accounts have been optimized for tax efficiency, e.g., dividends are “qualified” and taxed at long-term capital gains rates.

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24. I understand the current and long-term tax consequences of my various investment vehicles, e.g., taxable brokerage accounts, tax-deferred accounts including IRAs, permanent insurance policies, annuities, etc.

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## Real Estate

Yes

No

Unsure

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| 25. I am aware of Internal Revenue Code Section 121 gain exclusion on the sale of my primary residence (up to \$250,000 Single, up to \$500,000 Married Filing Jointly) and am cognizant of potential moves that could impair my ability to claim this exclusion. | _____ | _____ | _____ |
| 26. I claim the homestead exclusion for my primary residence for property tax purposes.   | _____ | _____ | _____ |
| 27. I have considered ways of minimizing tax exposure on sales of real property, such as:   |       |       |       |
| a. Like-kind (1031) exchanges for rental or investment property   | _____ | _____ | _____ |
| b. Holding investment property for greater than a year to avoid short-term capital gain treatment   | _____ | _____ | _____ |
| c. Considering whether I could be treated as a “dealer” per federal tax law, causing gains on sales to be taxed as self-employment income   | _____ | _____ | _____ |
| d. Maintaining records supporting capital improvements to increase tax basis  | _____ | _____ | _____ |
| e. Selling in years of reduced income to optimize capital gains tax brackets  | _____ | _____ | _____ |
| f. Gifting or inheritance strategies  | _____ | _____ | _____ |
| g. Donating highly-appreciated property to charitable organizations   | _____ | _____ | _____ |
| 28. I have annually considered passive activity loss rules and real estate professional rules that may impact the amount of rental real estate losses I am able to deduct in a particular year.   | _____ | _____ | _____ |
| 29. I have considered a cost segregation study to accelerate the tax benefits associated with depreciation.   | _____ | _____ | _____ |



## Retirement

Yes

No

Unsure

30. I have considered Roth IRA conversions in years of lower-than-average income, e.g., years after retirement, but before retirement plan distributions and/or Social Security withdrawals. *NOTE: Roth IRA conversions may also make sense in non-retirement situations, e.g., loss year for a business owner.*

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31. I have considered the impact of income increases to my Medicare premium payments and have planned accordingly, e.g., bunched income into one year or evened out income over multiple years.

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32. I understand the current and long-term tax consequences of my various sources of income, e.g., taxable brokerage accounts, tax-deferred accounts such as IRAs, permanent insurance policies, annuities, Social Security pensions, savings bonds, etc.

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## Compliance

Yes

No

Unsure

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|---|-------|-------|-------|
| 33. All of my tax returns are filed on time each year.  | _____ | _____ | _____ |
| 34. I make estimated tax payments and/or have amounts withheld from wages or other income sources to minimize underestimated tax penalties. | _____ | _____ | _____ |
| 35. Any taxes due for a particular period are paid before or with timely remittance of the associated tax filing.                           | _____ | _____ | _____ |
| 36. I am in compliance with any Offers in Compromise, Installment Agreements, or other taxing authority arrangements.                       | _____ | _____ | _____ |
| 37. I have accurately and fully disclosed all non-US financial activity as required via various forms, such as FinCEN 114, Form 8938, etc.  | _____ | _____ | _____ |
| 38. I have accurately and fully disclosed all digital currency activity as required via various forms such as page 1 of Form 1040, etc.     | _____ | _____ | _____ |





Legacy	Yes	No	Unsure
39. I have explored long-term charitable giving by:			
a. Establishing a donor-advised fund	_____	_____	_____
b. Establishing a private foundation	_____	_____	_____
c. Establishing a Charitable Lead Trust (CLT), Charitable Remainder Annuity Trust (CRAT) or Charitable Remainder Unitrust (CRUT)	_____	_____	_____
40. My estate planning and incapacity documents:			
a. Reflect current state and federal law, as appropriate	_____	_____	_____
b. Reflect my current financial, legal and health situations	_____	_____	_____
c. Can be accessed by my executor and/or power of attorney quickly	_____	_____	_____
41. My estate planning documents reflect my current wishes, particularly with respect to beneficiaries.	_____	_____	_____
42. I have taken steps to minimize my federal and/or state estate and/or income tax exposure through various gifting and estate planning strategies.	_____	_____	_____
43. I have included life insurance, long-term disability insurance and long-term care insurance in my estate planning as appropriate.	_____	_____	_____



## Other

Yes

No

Unsure

44. I take steps to minimize state income tax exposure when feasible, e.g., claiming out-of-state tax credits, purchasing state income tax credits, deducting in-state 529 plan contributions on state income tax returns, etc.

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45. I have claimed a short-term capital loss for uncollectable, documented personal loans made to others.

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46. I have annually determined if pass-through activities are passive or non-passive as that may impact the amount of net pass-through losses I can deduct in a particular year.

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