

# Michael R. Snell & Associates

## Accounting & Tax Consultation

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### 2006 PERSONAL INCOME TAX ORGANIZER

This organizer is designed to help you gather information for your 2006 personal income tax returns.

Our organizer is simple. Use it in whatever way works best for you—as a quick checklist or you can complete it in detail. If you have your own tried and true way of doing things shred it and forget it. The idea is to keep the process simple. If you use the organizer, then include it in the package you mail to us. If we are meeting with you for a tax interview, this will also help you organize your information for us.

If you need additional space feel free to attach separate sheets. You may also attach copies of original documents to support the information if you like.

We suggest that you photocopy any original documents for your records before mailing originals to us.

We have not included space for transactions that occur infrequently or are not applicable to many people. If you have unusual transactions or there are other items you think might be deductible, please bring them to our attention. Some of these items are listed below:

Installment Sales	Sale of an Entire Business	Like-Kind Exchanges (1031)
Multi-State Tax Filing	Losses From Fire or Theft	Foreign Income
Seller Financed Mortgages	Tax Audits	IRS Letters of Inquiry

### STATE INCOME TAX (business & personal)

Michael R Snell & Associates prepares tax returns for any state that imposes an income tax

### APPOINTMENT SCHEDULING

Most of our clients, especially those who live in other states, use email, regular mail, the fax, or UPS (FedEx, etc) to send us the tax information we need. Opting out of the traditional sit-down meeting saves them time, hassle, and fees. Any questions or clarifications are typically handled by phone, fax, or email. However, if you'd like to schedule a tax meeting, by all means let us know so we can arrange a meeting at your convenience. If you have already scheduled a meeting with us it isn't necessary to contact us again.

### EMAIL ADDRESS

If you provide us with your email address you will be included in our general interest email list. These infrequent emails consist of tax newsletters, information, and updates. Unfortunately we are no longer able to print and mail traditional newsletters and tax information updates are available primarily on line at [www.winecommonsewer.com](http://www.winecommonsewer.com). If you are already on our email subscribers list you don't need to provide this information again.

Email Address \_\_\_\_\_ @ \_\_\_\_\_

Email Address \_\_\_\_\_ @ \_\_\_\_\_

**Michael R Snell & Associates will not sell or share your email address with anyone. Unless an email is specific to you the addresses are masked to prevent others from obtaining your email address without your consent. Anti-spam software and ISP anti-spam efforts may block some or all email originating from our offices.**

GENERAL INFORMATION

Complete this section only if something has changed since last year.

If husband or wife passed away during 2004, 2005, or 2006 please note the date of passing below

If separated during 2006 please note the date of separation

If divorced in 2006 please note the date the divorce was final

Item	Taxpayer	Spouse
Birthdate (required for some deductions)		
Social Security Number		
Name		
Street Address		
City		
State		
Zip		
Occupation		
Cell Phone		
Fax		
Home Phone		
Work Phone		
Date Deceased		
Date Divorce Was Final		
Date of Separation		
\$3.00 to election fund?	<input type="checkbox"/>	<input type="checkbox"/>
If blind check this box	<input type="checkbox"/>	<input type="checkbox"/>

“The difference in spending habits between government and a drunken sailor is, at least a drunken sailor spends his own money.”—Ronald Reagan

“Man exists for his own sake and not to add a laborer to the State.”—Ralph Waldo Emerson

“April is the month when the green returns to the lawn, the trees, and the IRS.”—Evan Esar

“A dog who thinks he is a man's best friend is a dog who obviously has never met a tax lawyer.”—Fran Lebowitz

## INFORMATION WE MUST HAVE

1. **ORIGINAL W-2 Forms** of all kinds and from all jobs. **Please copy or scan originals before mailing to us.**
2. Please provide photocopies or originals of the following (if you send originals please copy or scan them for your records before sending):
3. **1099 Forms** received by you for any purpose. This category is very broad and will include pension or retirement distributions or rollovers, interest income, dividend income, real property sales, gambling winnings, jury pay, unemployment compensation, state income tax refunds, certain disability payments, social security income, as well as other miscellaneous income.
4. **Please Note:** To simplify this organizer we have not provided space for you to list **interest and dividend** income separately. Please provide us with a photocopy or original of each 1099-Div or 1099-Int you received.
5. **Please Note:** If any interest or dividend income is paid to you for the benefit of someone else (children's savings accounts, for example), please note that directly on the 1099 form.
6. **K-1 Forms** from partnerships, trusts, LLC's, LLP's, or S corporations received by you. This includes K-1 forms for investments, rental properties, TIC's, as well as for self-employment.
7. **1098 Forms** reporting mortgage interest that was paid by you.
8. **Income Tax Returns.**

**Please Note:** If we **did not prepare** your 2005 tax returns please provide us a copy of your state and federal income tax returns for 2005. If we prepared your 2005 returns we do not need a copy. If you have already provided us with a copy of your 2005 returns we do not need another copy.

9. **Miscellaneous Income.** Almost every conceivable kind of income is taxable. Most income is also reported to the federal and state governments. We need to see every tax information report you received. If you had some income that wasn't reported to the government, we need to talk to you to determine the best way to handle it.

## ENERGY CREDITS

Please include information that pertains to any of the following three new federal energy credits.

**Residential Energy Credit.** You may claim a lifetime credit of \$500 (\$200 for windows) for installation of certain energy-efficient insulation materials, exterior windows and doors, electric heat pumps, and central air conditioning. The credit is 10 percent of the cost of qualifying materials. Effective for 2006 and 2007 only.

**Credit for Installation of Energy-Efficient Property.** You may claim a \$2,000 credit for the installation of solar water heating equipment, photovoltaic, or fuel cell equipment in your primary residence or a second home. The credit is 30 percent of the cost of the equipment. If you use it to heat your pool or spa, no credit is allowed. The government prefers that you continue heating your pool using expensive, non-renewable energy sources that emit greenhouse gases. Effective for 2006 and 2007 only.

**Credit for Purchase of New Energy-efficient Vehicles.** Beginning in 2006, there is a new dollar-for-dollar credit available for the purchase of hybrid vehicles. It's a nice break but is severely limited and at this time Toyota and Lexus hybrids no longer qualify having met the cap of the first 60,000 vehicles sold after 01-01-06. If you bought a hybrid in 2006 we need to discuss it.

**“My advice to those who die: declare the pennies on your eyes.”—George Harrison**

**“To preserve our independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude. I place economy among the first and most important of republican virtues, and public debt as the greatest of the dangers to be feared.” –Thomas Jefferson**

**“The wages of sin are death, but after they take the taxes out, it's more like a tired feeling, really.”—Paula Poundstone**

**“You don't pay taxes - they *take* taxes.”—Chris Rock**

**“The difference between death and taxes is death doesn't get worse every time Congress meets.”—Will Rogers**

**DEPENDENTS**

Please list all dependents below. To qualify, you must have provided more than 50% of the support. The custodial parent is deemed to have met the 50% test unless there is a written agreement that states otherwise. However, child support is considered support contributed by the person who paid the child support payments when allocating the actual net cost of providing support between the two parents. Children under age 19 & full time students under age 24 may be claimed by their parents. You may also claim your parents or other relatives as dependents if you contribute more than 50% of their support and their income is less than approximately \$3,300.00.. The rules can be complex, please feel free to discuss this with us.

Full Name	Birth Date	Social Security Number	Relationship	Number of months lived in your home during 2006

**CHILD & OTHER DEPENDENT CARE CREDIT**

This credit is available to you if you have dependent children under the age of 13 cared for by others while you and your spouse (if married) work. It is also available if you have certain other disabled dependents that must be cared for while you work. Note: Some care providers are ‘exempt’ and won’t give you a Taxpayer ID #. However, they will tell you that they are ‘exempt’. Please Note: We cannot complete your tax return without all of the following information:

Name of Care Provider	Taxpayer I.D. #	Address	Amount Paid During 2006

**ALIMONY AND CHILD SUPPORT PAYMENTS**

Child support payments are not deductible. Court-ordered alimony payments are deductible.

**Note:** Payments to your ex that are not court ordered are not deductible.

Please provide the following:

Recipient’s Name \_\_\_\_\_ Social Security # \_\_\_\_\_ Amount Pd in 2006 \_\_\_\_\_

Recipient’s Name \_\_\_\_\_ Social Security # \_\_\_\_\_ Amount Pd in 2006 \_\_\_\_\_

**“Hey Foreman, can I get a raise today? I’m workin’ too damn hard, and the taxes took my pay.”—Mike Bloomfield**

**“A citizen can hardly distinguish between a tax and a fine, except that the fine is generally much lighter.”—G. K. Chesterson**

**“American workers spend more of their day working to pay taxes than they do to feed, clothe, and house their families.”—The Tax Foundation**

**“In 1886 the federal government spent \$242 million. In 2003 the federal government will spend over \$2 trillion — 10,000 times as much.”—Harry Browne**

## MOVING EXPENSES

Your reason for moving must be work related. This is determined by how far your new place of employment is from your old residence. If it is more than 50 miles you get the deduction.

Please tell us the total amount of expense for transporting your household goods from your old residence to your new residence. Include fees paid to movers, rental equipment including trucks or trailers if you moved yourself, fees for storing household goods pending the move or after the move if the new residence wasn't available right away.

\$ \_\_\_\_\_

Please tell us the total amount you spent to get yourself and your family from your old residence to your new residence. Include lodging, airfare, bus fare, or all expenses related to using your personal vehicle. Instead of using actual expenses for your personal vehicle you may use the standard mileage rate.

Lodging & Transportation (do not include personal vehicle costs here) \$ \_\_\_\_\_

Personal vehicle costs (fuel, oil, etc.) OR actual mileage driven \$ \_\_\_\_\_

## RETIREMENT PLANS, IRA's, SEPs, etc

Please tell us the basics about contributions to your retirement plans below. Don't list employer-paid retirement plans or contributions withheld from your gross salary to fund retirement plans established by your employer (401(k) etc).

Taxpayer's actual contribution made in 2006 \$ \_\_\_\_\_ Kind of Plan \_\_\_\_\_

Spouse's actual contribution made in 2006 \$ \_\_\_\_\_ Kind of Plan \_\_\_\_\_

Taxpayer's contribution to be made in 2007 for 2006 \$ \_\_\_\_\_ Kind of Plan \_\_\_\_\_

Taxpayer's contribution to be made in 2007 for 2006 \$ \_\_\_\_\_ Kind of Plan \_\_\_\_\_

\_\_\_\_\_ Check here if either spouse is covered by a retirement plan at work

\_\_\_\_\_ Check here if you converted a regular IRA to a Roth IRA during 2006

\_\_\_\_\_ Check here if you want to make a non-deductible IRA contribution

## CAPITAL GAINS

**Stock sales, mutual fund sales, home sales, building sales, bond sales, etc.**

**If you sold a personal residence** during 2006 you probably won't have to worry about capital gains tax and you do not have to re-invest the proceeds in a more expensive home. However, you should provide us with a copy of the closing escrow documents from the original purchase and the sale.

If you sold any other investments during 2006 you should have received a 1099 form reporting the 'gross proceeds' from the transaction. Gross proceeds are typically the amount you received from the sale but is not the amount you will be taxed on. With sale of real property gross proceeds are generally the selling price.

**IMPORTANT: To properly report any capital gains sales on your tax return we have to know how much you paid for the investment (asset) and the date you bought it.**

If the investment was purchased recently and was purchased through the same broker who sold the investment for you there is a good chance that the purchase information appears on the 1099.

If it does not you must look at your records or contact the broker you purchased the asset through to find out this information.

Please use separate sheets of paper to itemize the purchase dates and amounts paid for each investment sold. This can be a lengthy and time consuming process. Once completed, staple the information to the 1099 reporting gross proceeds.

**WE MUST HAVE PURCHASE INFORMATION FOR ANY ASSET THAT YOU SOLD DURING 2006.**

**"I owe the government \$3400 in taxes. So I sent them two hammers and a toilet seat."—Sue Murphy**

## MEDICAL AND DENTAL EXPENSES

Before you spend a lot of time and do a lot of work remember the following:

- Combined medical and dental expenses that you paid out-of-pocket must total 7.5% of your overall income (approximate).
- Medical and dental expenses do not include any amounts reimbursed to you or paid directly to providers by insurance companies.
- Medical and dental expenses include health insurance premiums paid by you (not company paid), prescription drugs, co-payments, deductible payments, mental health care, medical devices-glasses, hearing aids, crutches, wheelchairs, etc. If you paid with a credit card the expense is considered paid in full and is fully deductible.

Please tell us the total amount you paid out of pocket for health insurance premiums during 2006. \$ \_\_\_\_\_

Please tell us the total of all other medical and dental expenses paid by you during 2006. Do not include amounts paid or reimbursed by your insurance company. It is not necessary to itemize the expenses. \$ \_\_\_\_\_

Please tell us the number of miles you drove your car for medical purposes during 2006. \_\_\_\_\_

## INTEREST DEDUCTIONS

Personal interest you paid on loans and credit cards is not deductible.

If you purchased your home during 2006 please include a copy of the settlement statement.

Total mortgage interest paid for your principal place of residence: \$ \_\_\_\_\_

Include any interest paid on a second mortgage or line of credit secured by your home.

Caution: You may deduct interest paid on loans to purchase or improve your home plus an additional 100,000.00 in mortgage debt.

Total mortgage interest paid for a second home during 2006: \$ \_\_\_\_\_

Include any interest paid for a second home, vacation home, or other second home-boat or motorhome (you may only claim an interest deduction for one second home).

Caution: If you rented your vacation home out for more than 14 days of 2006 check here: \_\_\_\_\_

Points paid to refinance an existing mortgage: \$ \_\_\_\_\_

Points paid to obtain a mortgage on a newly purchased home: \$ \_\_\_\_\_

If your mortgage interest was paid to an individual please provide the following:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

## CHARITABLE CONTRIBUTIONS

Total amount you gave to church or charity during 2006: \$ \_\_\_\_\_

Include all cash donations and donations paid by check. Most organizations will provide you with a year-end statement. Gifts exceeding 250.00 require receipts if you are audited.

Total value of personal items donated to charity during 2006: \$ \_\_\_\_\_

Includes: clothing, furniture, or other property that was donated. Does not include donations of cash or by check.

Caution: IRS determines value according to what you could sell the items for not what you paid for them.

Caution: If the total of these items exceeds 500.00 IRS requires a detailed accounting of each item donated including purchase date and price, market value, and name & address of the charity you donated the item to.

**RENTAL PROPERTY**

Use this section to report rental income and expense

We have provided space for two properties, for three or more properties please print extra blank pages of this worksheet

If the property was purchased in 2006 include a copy of the closing escrow documents

If the property was sold or exchanged in 2006 please include all relevant documents

In the Asset section please note any major upgrades with descriptions or include copies of invoices

<b>Item</b>	<b>Property Address or Other Description</b>	<b>Property Address or Other Description</b>
Rental Income		
Security Deposits Rec'd		
Security Deposit Refunds		
<b>EXPENSES</b>		
Accounting		
Advertising		
Association Fees		
Cleaning & Maintenance		
Commissions		
Gardening		
Insurance		
Legal		
Management Fees		
Mortgage Interest		
Other Interest		
Pool Service		
Repairs		
Supplies		
Taxes		
Travel or Auto Miles		
Utilities		
<b>ASSETS</b>		
Appliances		
Flooring		
Major Renovations		
Major Upgrades		
Roof		

**SELF EMPLOYMENT INCOME**

If we prepare financial statements for your business do not complete this section

If you prepare your own financial statements using software such as QuickBooks you may provide us with a financial statement for the entire 12 months of 2006 instead of completing this section if you prefer

QuickBooks users: please email us a complete backup of your QuickBooks file (not the accountant's copy)

In the Asset section please note any asset purchases or sales and include copies of invoices for asset purchases

<b>INCOME</b>			
Total Gross Income			
Returns & NSF Checks			
<b>EXPENSES</b>			
Accounting		Postage	
Advertising		Purchases of Components	
Alarm Service		Purchases of Goods To Resell	
Automobile & Truck		Purchases of Parts	
Bank Charges		Purchases of Raw Materials	
Commissions		Rent	
Dues & Subscriptions		Salaries or Wages	
Education & Seminars		Supplies	
Entertainment		Taxes, Employer Paid	
Equipment Lease		Taxes, Other	
Insurance		Taxes, Property	
Interest		Telephone	
Laundry & Uniforms			
Legal			
Licenses			
Maint & Repairs			
Merchant Fees			
Office Expense			
Printing			
<b>ASSETS</b>			
Computer Equipment			
Machinery			
Equipment			
Improvements			
Furniture			