

## LINCOLN TAX PROFESSIONALS, LLC

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### PREPARING FOR YOUR 2020 TAX RETURN

In an effort to make the process of preparing your return easier for you and our staff, we have put together this organizer to help you gather your documents and get them ready to either mail to our office or send them to us via the portal. These questions and requests are for documents based on tax year 2020.

If you had a previously scheduled tax appointment for this year, we are going to make an effort to have your appointment either over the phone or through a video call using Google Meet at your scheduled time. In order for this to happen we are requesting that you send us your documents **no later than two weeks before your appointment**. If we receive them less than two weeks before your appointment we will contact you to reschedule the appointment for a later time.

Clients who deliver their documents to our office after March 15, 2021, will automatically have an extension filed for them to allow us time to prepare the return. We will finish your return as soon as time allows. Remember, an extension gives you more time to file but not more time to pay the government if you owe! If you think you'll owe money this year, please let us know right away!

**To decrease the time it takes for us to prepare your return, it is advised that you do not mail or portal documents to us without first completing this package.**

- 1. Reviewing your previous year's tax return for reminders of tax documents can greatly decrease the completion time of your return.** Ask yourself if the documents will be the same for this year and make sure to check you have them or will receive them.
2. Make clear copies of anything you send us for your own records. This will be useful if we call you with questions or in the horrible event your package gets lost in the mail. Also keep in mind if you choose to have a completed digital copy sent to you via our portal **you will not receive a physical hardcopy of the return or the supporting documents you mailed to us.**
3. If you, or your spouse (if applicable) received a new driver's license or state issued ID in 2020 or 2021, or if you are a new client to our practice, please provide a clear copy (front and back) of the current, unexpired, photo ID.
4. Include your Client Information Sheet and Engagement Letter, if you haven't signed it yet, with the documents that you send to us. **Please remember, we will not start on your tax return until we have a signed copy of your Engagement Letter.**
5. On your Client Information Sheet you will have the opportunity to list the bank name, routing, and account number where a potential refund is to be deposited. Make sure to double check that information. If you are unsure which number is the routing or account number, please send us a copy of a check for the account you wish refunds to be deposited to.
6. If you received an economic stimulus payment in 2020, we will need to know the amount that you received as well as proof of payment (bank statement showing deposit amount, official letter from the president, or letter from the official debit card).

**Please arrange your documents in this order (Please note some forms, documents, and worksheets may not apply to you):**

1. 1095-A (Marketplace/Exchange Health Insurance Only)	13. 1099-NEC (Non-Employee Compensation ) <b>NEW FORM IN 2020</b>
2. State Refund Form(s)	14. 1099-MISC (All other income)
3. Economic Stimulus Payment Amount (if received) and Proof of Receipt	15. K-1's from Corporations, Partnerships, Trust, or Estates
4. W-2 Income Statements	16. 1099-Q (529 Plan and/or ABLE Plan Distributions)
5. 1099-INT (Interest Income)	17. 5498-SA (HSA Contribution)
6. 1099-DIV (Dividends)	18. 1099-SA (HSA Distribution)
7. Consolidated Brokerage Statements (All pages – even if blank)	19. 1098-E (Student Loan Interest)
8. 1099-R (Retirement / IRA / Pension / 401K Distributions/Rollovers)	20. 1098-T (College Tuition)
9. 1099-SSA (Social Security)	21. Quarterly Estimated Payment and/or Extension Payment Amounts
10. 1099-G (Unemployment Benefits)	22. Energy Efficient Improvements or Electric Vehicle Sales Receipts
11. W-2 G (Gambling Income); Also include your gambling losses.	23. 1098 (Mortgage Interest) and Real Estate Tax Bill if not on 1098
12. Self-Employment, Rental Property, and/or Farm Worksheets	24. Medical and Charity Worksheets, "Goodwill" Inventory and Receipts

7. If you paid estimated quarterly tax and/or extension payments (federal and/or state) we now require proof of payment either by canceled check(s) or online receipt(s). If you don't have proof of payment we suggest that you pull your account transcript on the IRS website, [www.irs.gov/get-transcript](http://www.irs.gov/get-transcript) and attach that with your documents. Otherwise, we'll ask you to fill out a Power of Attorney which allows us to pull your transcript for you; however that will delay your return's completion.

8. If you volunteer for a **Maryland Fire Company**, a police auxiliary, or a health organization, attach certifications, mileage, and/or LOSAP awards.
9. If you have self-employment income from one or more businesses, rent out property to others, or operate a farm, we have additional worksheets to help you get your income and deductions ready. We strongly suggest you complete these worksheets in their entirety BEFORE delivering your documents to us. Call our office for these worksheets or find them on our website at [www.lincolntax.com/worksheets-tax-year-2020](http://www.lincolntax.com/worksheets-tax-year-2020). Here is a list of our worksheets:

Barbers and Beauticians	Performing Artists
Clergy and Ministers	Police Officers
Computer Related Fields	Professional Employees
Construction/Landscaping Business	Real Estate Sales
Construction Workers and Foreperson	Rental Property Deductions as well as Multi-Owner Deductions
Day Care Provider	General Small Business – otherwise not specified
DOT Employees: Truckers, Pilots & Train Engineers	Party, Internet, and Door to Door Sales
Educators	Self-employed Travel Expenses
Farming	
Firefighters	<u>Other Worksheets</u>
Insurance Sales	Medical Expenses
Mechanics	Charity Deductions and Goodwill Valuation
Medical Employees	Insolvency Worksheet (Debt Cancellation)
Outside Sales	Determination/Need to File (Do I need to file a tax return?)

10. Review your previous return, were you able to itemize your deductions in 2019 or did you take the standard deduction? If you took the standard deduction last year and believe that your deductions for 2020 would be the same then it probably isn't necessary to send us medical deductions. If you do not itemize deductions, you are eligible to deduct up to \$300 of charitable cash donations so please send us those amounts.
11. Medical Expenses – If you believe your out-of-pocket medical expenses are even close to being 7.5% of your Adjusted Gross Income, please complete the medical expenses worksheet.
12. Real Estate Taxes – If real estate taxes are NOT included on your Form 1098 mortgage interest statements, please provide the real estate tax bill reflecting how much you actually paid in 2020.
13. Charity Deductions – Always be sure you keep a receipt for all of your donations, but only send us receipts relating to donations of property (clothing, household goods, vehicles, etc.) over \$500. Include an itemized list of property donated. If you donated a vehicle contact us first for specific information we require for the return.
14. If you bought, sold, or refinanced any property, include a copy of the settlement sheets (Settlement Sheets/ Closing Disclosure).
15. Did you buy a car, boat, RV, plane, etc., in 2020? If yes, provide us a copy of the sales slip.
16. Energy credits may still be available for energy efficient improvements to your primary residence, and, depending on the manufacturer, for the purchase of a new electric or hybrid vehicle. Please have sales receipts showing cost for those items.
17. If you have wages from Alabama, Arkansas, California, Hawaii, Iowa, Minnesota, New York, or Pennsylvania you may have the ability to deduct unreimbursed employee expenses to that state. Please see our worksheet list above or on our website for summarizing those expenses. Again, those worksheets are only available to people who have W2 wages in the above mentioned states. If you don't work in those states, unfortunately they aren't available to you.
18. Be sure to include any questions you may have about the past tax year and definitely let us know of anything major happening in the current year that we should account for.
  - ◆ If you do not have an appointment please portal or mail your tax documents to arrive no later than July 1, 2021.
  - ◆ Electronically deliver your documents only via our portal system at [www.lincolntax.com/portals](http://www.lincolntax.com/portals). We do not email any sensitive documents or materials – and neither should you.
  - ◆ Our office security policy prohibits us from accepting documents from flash/thumb drives, Dropbox, Google Docs, hyperlinks in email, or any other shared document platform.

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**2020 Tax Preparation Engagement Letter**

**IF YOU HAVE A PREVIOUSLY SCHEDULED APPOINTMENT, PLEASE DELIVER YOUR TAX DOCUMENTS TO US NO LATER THAN TWO WEEKS BEFORE YOUR APPOINTMENT!**

We appreciate the opportunity to serve you and advise you on your tax preparation and financial services needs. To ensure complete understanding and clear expectations between us, your preparers, and you, the client, we are providing pertinent information about the services that we can provide to you. Please take the time to review this engagement letter as it outlines our policies and procedures. Initial all areas of note then sign this letter if you are in agreement of terms, and return it along with your tax documents - if not sooner. **Please understand, we will not begin preparing your return until we have received this signed engagement letter.**

1. We will prepare your 2020 federal and specific state(s)/cities individual income tax Form 1040 from information you furnish us. We will not audit, review, compile or otherwise verify the data you submit although we may ask you to clarify some of the information. Minimum fees range from \$350 to \$495 to prepare a tax return depending on the complexity of the return, time needed to properly complete it, and software charges if applicable. We are not responsible for returns prepared by other tax preparers. *Initial here \_\_\_\_\_*
2. All clients must complete our Client Information Sheet and enclose it with their tax documents sent to us. This yearly worksheet, as well as other record keeping worksheets, are available to all clients on our website or by contacting our office.

Clients who don't have a scheduled appointment must mail or upload their initial tax documents to us, by July 1<sup>st</sup>.

- Initial tax documents received between July 2<sup>nd</sup> and August 1<sup>st</sup> will be charged an additional 5% fee.
- Initial tax documents received between August 2<sup>nd</sup> and September 1<sup>st</sup> will be charged an additional 10% fee.
- Initial tax documents received after September 1<sup>st</sup> will be charged an additional 25% fee.

There will be no 2020 tax preparation appointments available after September 1<sup>st</sup>. *Initial here \_\_\_\_\_*

3. We are committed to preparing your taxes and helping you plan for your future in such a way that it increases your bottom line. However, this places a burden on you to provide us needed information in a timely fashion. You will be provided with a "Homework Sheet" showing documents and information requested from us to complete your return, as well as a realistic "Due Date" for which you should be able to return those items to us. In the event you are unable to return those needed documents and information to us by the due date please contact our office immediately to discuss revising the due date. *Initial here \_\_\_\_\_*

Things you should know if you need to return additional information (Homework) to us:

- Return ALL missing items to our office AT ONE TIME.
- If information and/or documents are NOT returned by the assigned due date, your preparer will file an extension for the return and complete it after the initial filing deadline.
- Returns are completed on a 1<sup>st</sup> in - 1<sup>st</sup> out basis according to the date all information and/or documents are completely received by our office.

Clients with documents and/or information not returned to us by the initial filing deadline of 2021, unless otherwise noted by the assigned due date, and clients with documents not returned to us by their due date after the initial filing deadline, will be assessed a charge for maintaining their documents securely in our possession. We will contact you to remind you of your documents before charges begin but it is your responsibility to inform us of any hardships you may be having in getting these documents to us. *Initial here \_\_\_\_\_*

4. Clients with dependents who have already filed a 2020 return must furnish a copy of the dependent's return before the client return can be completed. The minimum fee for our office to prepare a dependent return is **\$125**. Other factors such as time and complexity of the dependent return will determine the final billing amount. Our policy is to complete and e-file the non-dependent returns before e-filing the dependent returns we have prepared. *Initial here \_\_\_\_\_*

**(SEE NEXT PAGE)**

5. Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having an aggregate value exceeding \$10,000 in a foreign country, shall report such a relationship. Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties. Such disclosure includes filing Form 8938 with this Form 1040. **If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required income tax related forms, and penalties may be due, for which we have no responsibility. In the absence of such information being provided we will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms without separate written authorization.**

If you and/or your entity have a financial interest in any foreign accounts, you may also be responsible for filing Form FinCen 114 required by the U.S. Department of the Treasury on or before the initial filing deadline of each tax year. US citizens are required to report all worldwide income on their US tax return. *Initial here* \_\_\_\_\_

6. It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, and the required documents to support charitable contributions for three years from the filing date. If you have any questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing and filing them with their tax authorities.

There will be a minimum charge of \$30 added to your bill for any changes made to your return not due to our error after it has been assembled but before it is filed. These changes could include, but are not limited to: method of delivery and signing of tax return, addition or changes to bank account information, changes in dependents claimed, changes in filing status, changes to income and/or expenses, etc.

Changes to returns after they have been filed will require us to prepare an amended tax return. Charges will be based on time and complexity to complete the amended return with a minimum fee of \$300. *Initial here* \_\_\_\_\_

7. From time to time various third parties may request that we sign, for you, some verification of income, employment or tax filing status. Because we were engaged only to prepare your income tax return, without examination, review, audit or verification, there are strong limits on what we can say. These returns are not intended to benefit or influence any third party, either to obtain credit or for any other purpose. If we are able to provide the needed information, there will be a separate fee based on time and complexity with a minimum fee of \$95. *Initial here* \_\_\_\_\_

8. Large binders, accordion file folders, or other bulky file boxes sent to us with initial tax documents will be disposed of after receipt or, only upon request, will be returned with additional postage at the client's expense. *Initial here* \_\_\_\_\_

9. Payment for our services is due at the time you sign your return. Whether you choose to or not, we expect you to review your return before signing it. For tax year 2020, your return will either be mailed to your primary address or uploaded to your client portal for review. Due to Covid-19, there will be no option to review or pick up your return in our office this year. Please remember your signature(s) on your tax return indicates that you have reviewed and accepted your return.

*Initial here* \_\_\_\_\_

Any accounts unpaid for 30 days will incur finance charges. If your return is for a closely held corporation, partnership, limited liability company or other entity, the person signing that return agrees to be personally liable for our fees if the entity does not pay. *Initial here* \_\_\_\_\_

10. Clients that do not sign for completed returns, send us requested homework items, or make payment for our services by September 1<sup>st</sup> will receive a final reminder. On September 15<sup>th</sup>, all client supporting documents will be returned to the client, along with a final invoice for our services, so they may complete the return on their own or elsewhere. *Initial here* \_\_\_\_\_

I (we) have read the above terms of the engagement letter and agree with the terms of this engagement.

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

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Standard Services	Approximate Rates
1040 Tax Preparation with State Return(s)	\$200/hr - \$300/hr
Business Entities, Trusts and Estates (1 <sup>st</sup> year)	\$300/hr
Trusts and Estates (later years)	\$250/hr - \$300/hr
HTC-60 or other state equivalent (minimum fee)	\$75 with return    \$95 without return
Local Tax Returns (minimum fee)	\$75
Changes to Return (after assembly & before filing)	Minimum \$30

*Flip over to read more about how we determine our fees.*

	Year Round Services	Standard Pricing	Tax Maintenance Plan
<b>Need some advice?</b>	<b>What if I have a quick question but I don't need to talk to my preparer?</b>	Our team is here to help! We'll review your questions and, if possible, answer it with no additional fee! This is really great for those small questions and quick clarifications.	
	<b>What if I have a quick question and need to talk to my preparer?</b>	Schedule a 15 min call with your preparer. \$50 per call	Schedule a 15 min call with your preparer. It's FREE!
	<b>What if I need help with a bigger question?</b>	Schedule a 60 min call or meeting with your preparer. \$300 minimum + follow up time/hr	Schedule a 60 min call or meeting with your preparer. \$300 minimum + follow up time/hr. \$150 discount on first meeting
	<b>What if I need ongoing tax, financial, or planning advice?</b>	Ask us about our "Smart Plan!"	

<b>Having trouble with the IRS or your state tax agency?</b>	<b>What if I get a letter from the IRS or my state?</b>	We will always review letters, and call or email you with an explanation, for free.  If you need us to prepare a response for you, our minimum fee is \$125.	We will handle responses to IRS and state letters for returns we prepared for FREE!
	<b>What if a return Lincoln Tax Professionals prepared gets audited?</b>	Audit representation is \$300/hr.	4 hours of audit representation for FREE. Additional representation time is \$150/hr.
	<b>What if my tax return is rejected due to ID theft?</b>	We will walk you step by step through the process of getting your return accepted. The minimum fee is \$75.	We will walk you step by step through the process of getting your return accepted. It's FREE!
	<b>What if I need additional copies of my tax return(s)?</b>	Digital copies will always be uploaded to your portal space for FREE! or Printed hard copies are \$75 plus shipping, if applicable.	

The cost of the Tax Maintenance Plan is 25% of your tax preparation fee with a minimum fee of \$95.

We will ask you to accept or decline the Tax Maintenance Plan when your return is completed. Keep this document for reference.

## **How we bill**

Our firm bills using an industry common practice called value billing. The easiest way to think of it is that the more time it takes and/or the more complex/rare the issue, the more the service will cost. For a lot of our services this is time (both with and without the client) multiplied by an hourly rate adjusted by software and other costs.

## **The Tax Maintenance Plan**

We developed the Tax Maintenance Plan as a way to provide a discount to clients who use our most requested services while also providing them peace of mind that if a tax issue arises during the year, they can turn to us without feeling burdened by the cost of solving the tax issue. The Tax Maintenance Plan is available to purchase on a yearly basis. If you feel that it may be beneficial to you one year but not in another year, you can simply purchase it in the year you need it and decline it in the year you don't need it. Your decision is completely up to you and no matter what decision you make, you will always receive the highest level of service from us.

We've broken down exactly what our Tax Maintenance Plan covers into two sections, "Need some advice" and "Having trouble with IRS or a state tax agency."

### *Need some advice*

As we are a year round tax accounting firm, we also have clients who book time with us outside the tax season to go over various topics such as starting a business, planning for retirement, or opening a 529 college plan just to name a few. Through the Tax Maintenance Plan, we provide two separate benefits for clients:

- Year-round access to your preparer - Clients can schedule 15 minute calls with your preparer free of charge to discuss anything they want to talk about, year round. This is good for quick questions, clarifications, and general advice.
- Easy access to solutions to big questions - Sometimes 15 minutes is just not enough. With the Tax Maintenance Plan, you get \$150 off your first consult and are free to dive into whatever is on your mind.

Common topics include:

- Planning for retirement, college, marriage, divorce, or how to avoid any estate taxes and probate fees.
- How to handle a big tax event like the sale of a property or an inheritance.
- The best way to start a business, buy a rental property, or chose an investment.
- Much, much, more.

### *Having trouble with IRS or a state tax agency*

The number one fear most taxpayers have is that they will be audited. It can be a very complex process and can require lengthy preparation time to get ready for your audit. This preparation time can be costly, however, with the Tax Maintenance Plan, we offer the first four hours of audit support free of charge and then half off the hourly rate for the remainder of your bill.

Another area where the Tax Maintenance Plan can be beneficial is with responses to government letters. Should you receive a letter or notice from the IRS or your state, it is always free for us to review the letter for you - and you absolutely should deliver us a copy of the letter immediately after you receive it. We will tell you what the letter is requesting and what needs done to satisfy it. If you would prefer us to write a response back to the government to argue your case fees start at \$125. If you purchase the Tax Maintenance Plan, we will write a response back to the agency for you and it is free of charge.

When you purchase the Tax Maintenance Plan, the discounts on letter and audit work will be in effect for the lifetime of the prepared tax return. For instance, if you purchased the Tax Maintenance Plan for the preparation of your 2020 return, we will honor those discounts years down the road should your 2020 return be audited or if other issues specific to that return arise.

Access to these benefits are available to you until your next scheduled tax return appointment at which point you'll be asked if you would like to renew the Tax Maintenance Plan for the new tax return year.

If you have a lot of planning to do, ask about our "Smart Plan."

## CLIENT INFORMATION SHEET 2020

Taxpayer's Name \_\_\_\_\_ Spouse's Name \_\_\_\_\_  
 Taxpayer's Occupation \_\_\_\_\_ Spouse's Occupation \_\_\_\_\_  
 Taxpayer's Email \_\_\_\_\_ Spouse's Email \_\_\_\_\_  
 Taxpayer's best contact phone number \_\_\_\_\_ Spouse's best contact phone number \_\_\_\_\_

Your **current** mailing address:

Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_ Zip Code \_\_\_\_\_ County \_\_\_\_\_ PA School District \_\_\_\_\_

Direct Deposit for refunds: Bank Name \_\_\_\_\_ Routing # \_\_\_\_\_ Account # \_\_\_\_\_

**WARNING:** If you decide to change your bank account information after your return has been printed/archived there will be a minimum \$30 surcharge.

Any **new** children or **new** dependents? If "Yes" Name \_\_\_\_\_ DOB \_\_\_\_\_ SS# \_\_\_\_\_

Names of all children (including full-time students) who lived with you all 12 months of 2020 \_\_\_\_\_

If they lived with you less than 12 months specify which child and how many months they lived with you. \_\_\_\_\_

Did any dependent make over \$4,050? Yes / No \_\_\_\_ If "Yes" will the dependent file a return? Yes / No \_\_\_\_

***If your dependent has already filed a return for this year, please provide a copy for us to review.***

If you were a previous victim of identity theft, the IRS has issued you an IP PIN. **We can NOT e-file your tax return without that PIN.**

IP PIN (if applicable) Taxpayer \_\_\_\_\_ Spouse \_\_\_\_\_ Dependent \_\_\_\_\_

Is it most meaningful for you to have a time to talk to Matt or Ryan or do you only need to hear from them if they have questions?

\_\_\_\_ I would like to speak with Matt or Ryan. \_\_\_\_ I only need to hear from them if they have questions.

How would you like us to deliver your tax return to you? (Choose one) *Due to Covid-19, we will not be providing in office pick-up of returns.*

\_\_\_\_ Mail a hardcopy of my return to me. \_\_\_\_ Send a digital copy of my return to my portal. (No hardcopy will be sent.)

Please answer the following questions for tax year 2020 <u>and</u> what your expectations are for tax year 2021. <b>Note: If you are married, "you" refers to both the taxpayer and/or spouse.</b>	2020 Yes or No	2021 Yes or No
Were you married on the last day of the year?		
Are you legally blind?		
Have you received any letters from the IRS or your state during the year?		
Do you <b>currently</b> have health insurance for all members of your household?		
Did you get your health insurance through the Exchange or Marketplace?		
Did anyone other than a spouse or dependent children live with you?		
Did you pay for any daycare, babysitters, day camps, or any other dependent care? (See bottom of next page)		
Did you buy or sell any real estate? Did you refinance any mortgage? If yes, please provide us with your Settlement Sheets or Closing Disclosure.		
Did you receive Economic Stimulus Payments? If yes, how much did you receive \$ _____ You must provide proof of payment (bank statement showing deposit, official letter from president, etc).		
Have you used any home mortgage proceeds, such as a Home Equity Line of Credit, for purposes other than to buy, build, or substantially improve your home?		
Did you receive W-2 income?		
Did you receive interest income (1099-INT), dividend income (1099-DIV), or brokerage statements?		
Did you receive any money from a: ____ Traditional IRA ____ Roth IRA ____ 401K ____ or any other pension or retirement accounts, etc? (1099-R)		
Did you transfer/roll over any money between any of the above retirement accounts? (1099-R)		
Did you receive Social Security payments? (1099-SSA)		
Did you sell any ____ Stocks ____ Mutual funds ____ Cash in savings bonds?		
At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any virtual currency?		

Did you, on any day in 2020, have \$10,000 or more in foreign bank accounts or have signature authority over any foreign bank accounts?		
Did you win money, prizes or have gambling income, etc.? (W2-G) If yes, provide gambling losses.		
Did you receive any other income? ___ Unemployment (1099-G) ___ Jury Duty ___ Awards ___ Legal Settlements ___ Other (1099-MISC)		
Did you have any debt cancellation, stop paying on a debt, or have a foreclosure or short sale? (1099-C)		
Do you pay or receive alimony? (See Below)		
Are you self-employed or receive any other side income? (1099-NEC)		
Did you receive a Payroll Protection Program (PPP) Loan or Economic Injury Disaster Loan (EIDL)?		
Do you own rental property?		
Did you, or will you, receive any K-1s from any corporations, partnerships, trusts, or estates?		
Do you have a High Deductible Health Plan?		
Did you put money in (5498-SA) or take money out (1099-SA) of a Health Savings Account (HSA)?		
Did you put money into a: ___ Traditional IRA and/or ___ Roth IRA? (See Below)		
Did you put money in or take money out (1099-Q) of a 529 Plan for college or a K-12 private school?		
Did you put money in or take money out (1099-Q) of an ABLE account?		
Did you pay any student loan interest or have interest paid in your name in 2020? (1098-E)		
Did anyone in your home take college/technical courses? (1098-T)		
Did you volunteer for a Maryland Fire Co., a Police Auxiliary, or a Health Organization?		
Did you make any quarterly estimated tax payments to the IRS or to any state? (See Below)		
If you are completing this form after the first filing deadline, did you make an extension payment to the IRS or to any state? (See Below)		
Did you make any energy efficient improvements such as windows, doors, HVAC, furnaces, insulation or add wind, solar, or geothermal improvements to your primary residence? Did you purchase an electric or hybrid plug-in vehicle or a two wheeled electric vehicle?		
Did you have any investments become worthless or were you a victim of identity theft?		
Are there any major changes to your financial/tax situation not already covered above? If Yes, explain.		

**Dependent Care:** In order to receive the dependent care credit, please break out by provider, and which dependent(s) received care, while the dependent was under the age of 13, unless the dependent is fully disabled (for example, adult daycare).

Dependent Name	Provider Name	Provider Address	Provider EIN or Social Security #	Amount Paid
				\$
				\$
				\$

**Alimony:** Due to a change in the tax law regarding alimony, the IRS requires us to obtain your official divorce date.

Official Divorce Date: \_\_\_\_\_ Alimony Paid: \$ \_\_\_\_\_ Alimony Received: \$ \_\_\_\_\_

**IRA Contributions:** Taxpayer: Traditional IRA \$ \_\_\_\_\_ Roth IRA \$ \_\_\_\_\_  
Spouse: Traditional IRA \$ \_\_\_\_\_ Roth IRA \$ \_\_\_\_\_

**Estimated Tax and/or Extension Payments:** In an effort to help you avoid unnecessary federal and state notices, if you paid estimated tax and/or extension payments **we now require proof of payment either by cancelled checks, bank statements, or online receipts.**

Federal: Q1 \$ \_\_\_\_\_ Q2 \$ \_\_\_\_\_ Q3 \$ \_\_\_\_\_ Q4 \$ \_\_\_\_\_ Extension \$ \_\_\_\_\_  
State 1: Q1 \$ \_\_\_\_\_ Q2 \$ \_\_\_\_\_ Q3 \$ \_\_\_\_\_ Q4 \$ \_\_\_\_\_ Extension \$ \_\_\_\_\_  
State 2: Q1 \$ \_\_\_\_\_ Q2 \$ \_\_\_\_\_ Q3 \$ \_\_\_\_\_ Q4 \$ \_\_\_\_\_ Extension \$ \_\_\_\_\_



**LINCOLN TAX PROFESSIONALS, LLC**

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Taxpayer's Name: \_\_\_\_\_

Tax Year: \_\_\_\_\_

**Medical Expense Worksheet**

For tax year 2020, the combined medical expenses must be more than **7.5%** of your Adjusted Gross Income (AGI).

A. Please check all health insurance that you pay. Provide grand total payments made during the tax year.

- 1. Do you have Medicare Part B and D? If yes, please give us your Social Security statement(s).
- 2. \_\_\_ Medi-Gap insurance                                      Taxpayer \$ \_\_\_\_\_      Spouse (if married) \$ \_\_\_\_\_
- 3. \_\_\_ From an employer, provide pay stub/letter
- 4. \_\_\_ Health insurance via pension                      Taxpayer \$ \_\_\_\_\_      Spouse (if married) \$ \_\_\_\_\_
- 5. \_\_\_ Concierge health insurance                      Taxpayer \$ \_\_\_\_\_      Spouse (if married) \$ \_\_\_\_\_
- 6. \_\_\_ Health Sharing Ministry                              Taxpayer \$ \_\_\_\_\_      Spouse (if married) \$ \_\_\_\_\_
- 7. \_\_\_ Dental insurance                                      Taxpayer \$ \_\_\_\_\_      Spouse (if married) \$ \_\_\_\_\_
- 8. \_\_\_ Vision insurance                                      Taxpayer \$ \_\_\_\_\_      Spouse (if married) \$ \_\_\_\_\_
- 9. \_\_\_ Cancer/catastrophic insurance                      Taxpayer \$ \_\_\_\_\_      Spouse (if married) \$ \_\_\_\_\_
- 10. \_\_\_ Long-term Care insurance                      Taxpayer \$ \_\_\_\_\_      Spouse (if married) \$ \_\_\_\_\_
- 11. \_\_\_ Prescription insurance                              Taxpayer \$ \_\_\_\_\_      Spouse (if married) \$ \_\_\_\_\_

On the **back of this sheet** is a partial list of other medical expenses that are deductible. For a complete list of deductible medical expenses, see IRS Publication 502 or check IRS's website at <http://www.irs.gov>.

B. **Out Of Pocket Expenses**, not reimbursed, not paid by insurance, or not from a flex-spending account.  
Provide grand total payments made during the tax year.

- 1. \_\_\_ Vision: glasses, contact lenses, LASIK, exams \$ \_\_\_\_\_
- 2. \_\_\_ Hearing aid expenses: fittings, ear molds, including batteries \$ \_\_\_\_\_
- 3. \_\_\_ Dental: cleaning, exams, braces, implants, fillings, dentures \$ \_\_\_\_\_
- 4. \_\_\_ Nursing Home/Assisted Living (We need to talk) \$ \_\_\_\_\_
- 5. \_\_\_ All other out-of-pocket medical expenses including co-pays and medical items not covered by insurance as long as they are prescribed by your physician. This includes: massage therapy & weight loss programs.
  - a) Prescription co-pays \$ \_\_\_\_\_
  - b) Doctor co-pays \$ \_\_\_\_\_
  - c) Hospital/labs/etc co-pays \$ \_\_\_\_\_
  - d) Therapies or other medical expenses not categorized (describe the expense and amount paid)
 

_____	\$	_____	\$	_____
_____	\$	_____	\$	_____
_____	\$	_____	\$	_____
- 6. \_\_\_ Medical miles for all of the above including trips to doctors, dentists, therapies, picking up prescriptions.  
Total miles for the year: \_\_\_\_\_  
Also list other travel expenses such as parking, tolls, taxi's, metro, plane, etc. (list the expense and amount paid)
 

_____	\$	_____	\$	_____
_____	\$	_____	\$	_____

## QUALIFYING MEDICAL EXPENSES

**Abortion** You can include the expenses of a legal abortion.

**Acupuncture** The cost for such treatment is deductible.

**Artificial limb** The cost of the prosthesis and associated expenses are deductible.

**Assisted living** A portion of the entrance fee and monthly or annual fees.

**Birth control pills**

**Blood sugar test kits**

**Blood transfusions**

**Braille books and magazines** The amount by which the cost exceeds that of regular reading material may be written off.

**Breast reconstruction surgery** following a mastectomy.

**Car** The cost of outfitting an automobile with special controls needed by a handicapped person

**Car expenses** Mileage, plus parking and tolls.

**Childbirth preparation classes** The IRS says fees for the mother qualify, but fees for the father-coach do not.

**Chiropractors** Their fees qualify.

**Christian Science practitioners** Fees are deductible.

**Contact lenses** The cost qualifies, as does the cost of insurance against their loss.

**Cosmetic surgery, if necessary** to ameliorate a deformity arising from a congenital abnormality, injury or disease remains deductible.

**Crutches**

**Damages** If you receive a settlement in a damage suit that includes money for future medical expenses, the amount is not taxable, but neither are those future medical expenses deductible until they exceed the amount of the award allocated to medical care.

**Dental treatment**

**Doctor's fees**

**Drug addiction and Alcoholism treatment**

**Eyeglasses**

**Fertility treatments**

**Guide dog for blind/Hearing dog for deaf** Medical expenses can include the cost and care of the dog.

**Gym fees** for weight loss or other physical condition when prescribed by your doctor for a specific medical condition.

**Hearing aid** The cost of the device itself and associated fees are deductible. Also ear molds and batteries

**Home improvements required by medical conditions** -- such as a filtration system to combat allergies or an entrance ramp for a disabled homeowner, widening doorways, installation of a lift, etc -- to the extent they do not increase the value of the home.

**Hospitalization** The costs, including the cost of meals, not covered by insurance

**Insurance** If paid post tax.

**Kidney donor expenses**

**LASIK or other vision correction surgery**

**Long-term Care insurance**

**Medical mileage** Note the rate changes yearly.

**Medicare Part B premiums**

**Medicare Part D premiums**

**Nursing homes** If the availability of medical care is the primary reason a person is in the institution, the full cost can be deductible, even though much of the cost is actually for otherwise nondeductible expenses such as food and lodging.

**Nursing services**

**Organ donor expenses**

**Over the counter drugs for specific health purposes are only deductible if you have an HRA plan such as flex spending (code sec 125) or (code sec 105).**

**Oxygen and equip**

**Physical therapy** Also massage therapy if recommended by your doctor for a specific medical condition.

**Prescription drugs**

**Psychoanalysis**

**Psychologist**

**Student health fees**

**Stop-smoking program**

**Sterilization** The cost of such an operation, including a vasectomy, is deductible.

**Swimming pools, if medically necessary** and, as with other home improvements, only to the extent that the cost exceeds any addition to the value of your home.

**Telephone** What you pay for special equipment to permit the deaf to communicate.

**Television** The cost of a decoder so that a TV picks up closed-caption signals.

**Travel expenses** Include lodging for the patient and another person acting as an aid.

**Vision correction surgery** Such as LASIK.

**Weight-loss program** If recommended by your doctor as part of the treatment for a specific medical problem, such as hypertension or obesity.

**Wheelchair**

**Wigs**

**X-rays**

**\*\*\*\* In the case of unusual write-off's it is best to have your doctor write his prescription down and give it to you, rather than have the recommendation by word of mouth.**

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Taxpayer's Name: \_\_\_\_\_

Tax Year: \_\_\_\_\_

**Guidelines for Charitable Contributions**

As of January 1, 2007, the IRS has been instructed that, if audited, taxpayers must have canceled checks, receipts or other proof for all donations. If a donation is \$250 or more, taxpayers must have a contemporaneous acknowledgment from the charity that states they received the donation and that the taxpayer received nothing but the joy of giving.

Only deductions to recognized charities are eligible as charitable deductions. Giving money or property to relatives, friends, or neighbors does not count as charity. The following three things are what taxpayers can donate – money, time, and property.

If you are donating to a qualified charity (501(C) (3) organization) and you are required to take distributions from your IRA (RMD) a Qualified Charitable Distribution (QCD) has tax advantages. A QCD is a direct transfer of funds from your IRA custodian payable to a qualified charity. Documentation of the transfer without you directly receiving the funds is required. QCD's are considered cash donations.

**Cash Donations Please list the names of the organizations and dollar amounts that you donated money to:**

Name	\$	Name	\$	Name	\$
Churches/Houses of Worship					
Boy/Girl Scouts					
American Cancer Society					
United Way					
School Fundraisers					
Fire Department					
American Red Cross					
Local Shelters					
American Heart Association					
Teacher/School Supplies					
				<b>Total Cash and Checks</b>	

**Volunteer Donations**

The most valuable thing you have is your time; yet, we can not deduct anything for the time you donate to organizations. We can, however, deduct your out-of-pocket expenses as a volunteer. Examples of volunteering are far-ranging. You can volunteer in schools, Boy/Girl Scouts, coaching, volunteer fire fighters, hospital aides, chaperons, referee or manager for athletic teams, Hospice, church volunteer opportunities such as cleaning, music ministry, teaching Sunday School, being a Eucharistic Minister, going on mission trips, etc.

Deductible expenses for volunteering include mileage. If you volunteer for a Maryland Fire Company, police auxiliary or a health-related organization, please list those miles separately.

Uniforms are also a deductible expenses say for a fire fighter, scout leader, etc. Uniform expenses are for you the taxpayer, not your child's uniform.

Volunteering	Volunteer Mileage	Out-of-pocket Expenses (Admissions, Uniforms, Snacks, Supplies, Parties for sport clubs, etc.)
Volunteer Fire Fighter		
Police Auxiliary		
Health-related Org		
Church		
School		
Coaching		

## Travel Expenses

You may deduct travel expenses as a volunteer, delegate, chaperone, etc if it includes overnight travel. Travel expenses can include items such as bus, taxi or shuttle fares, car rental plus fuel, parking and tolls, plane or train tickets, hotel and lodging and mileage if by your car to and from an airport.

Bus Fare \_\_\_\_\_

Plane Tickets \_\_\_\_\_

Rental Car \_\_\_\_\_

Rental Car Fuel \_\_\_\_\_

Taxis, Shuttles, Uber, Lyft \_\_\_\_\_

Train, Subways, Metros \_\_\_\_\_

Parking, Tolls, Easy Pass \_\_\_\_\_

Lodging \_\_\_\_\_

Mileage (if driving your own car), include mileage to airports \_\_\_\_\_

TOTAL VOL MILEAGE \_\_\_\_\_

Food is deductible only if gone overnight. In lieu of receipts for food when traveling overnight as a volunteer, please complete the following chart and we'll provide the per diem rates. For the number of volunteers, if you travel by yourself, write down "1". If both you and your spouse travel together please write down "2".

Number of Volunteers	Number of Days Gone	Office Use Only	Destination or Nearest Large City

## Property and Household Goods Donations

Your **used** donation of property is donated at current **Fair Market Value (FMV)** – not what you paid for the item.

Any single donation of property such as an easement, land, a house, or artwork whose FMV is equal to or greater than \$5,000 must be appraised by a licensed, qualified appraiser before it is donated.

Donations of a car, boat or plane must have a receipt from the charity showing its EIN and its sale price. If not sold, we need the FMV as if sold in a private sale. Use Kelly Blue Book, [www.KBB.com](http://www.KBB.com), to acquire FMV and print out the page featuring your vehicle. You will also need the VIN, final odometer reading, the purchase date, and purchase price.

For donations of property to Goodwill, Salvation Army, Purple Heart, Wounded Warriors, etc., if your grand total donations are over \$500 we must have a copy of your receipts and itemized list(s) for the property donated. Any single item donated item whose FMV is greater than \$500 must be appraised by a qualified appraiser **before** it is donated. We have included property valuation charts to assist you in determining your donated items. **This form is a fill-able, self-calculating form.** Type in the quantity of the items and type in a FMV. The FMV listed in the charts are a general rule of thumb for similar items in good condition. Our philosophy is, if you had to purchase back the item you're donating from the charity, what price would you pay for it – that's the fair market value for your item; use your best judgment. Below is an example of how to complete the valuation guide:

LADIES CLOTHING	QTY	FAIR MARKET VALUE	TOTAL VALUE	MEN'S CLOTHING	QTY	FAIR MARKET VALUE	TOTAL VALUE
BATHING SUIT		\$4 - 12		BELTS-FABRIC		\$3 - 6	
BATH ROBE		\$2 - 12		BELTS-LEATHER		\$5 - 15	
BELTS	2	\$2	\$4.00	JACKETS		\$10 - 45	
BELTS-LEATHER		\$5 - 15		OVER COATS	1	\$60	\$60.00
BLOUSE		\$2 - 12		PAJAMAS		\$2 - 15	
BOOTS		\$6 - 18		RAIN COAT		\$5 - 22	
COATS	3	\$20	\$60.00	SHIRTS	10	\$5	\$50.00

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<b>LADIES CLOTHING</b>	<b>QTY</b>	<b>FAIR MARKET VALUE</b>	<b>TOTAL VALUE</b>	<b>MEN'S CLOTHING</b>	<b>QTY</b>	<b>FAIR MARKET VALUE</b>	<b>TOTAL VALUE</b>
BATHING SUIT				BELT-FABRIC			
BATH ROBE				BELTS-LEATHER			
BELTS				JACKETS			
BELTS-LEATHER				OVER COATS			
BLOUSE				PAJAMAS			
BOOTS				RAIN COAT			
COATS				SHIRTS			
DRESSES				SHORTS			
EVENING GOWN				SHOES			
FUR COAT				SLACKS/JEANS			
FUR HAT				SUITS			
HANDBAG				SWEAT CLOTHES			
HATS				SWEATERS			
JACKETS				SWIM TRUNKS			
JEANS				T-SHIRTS			
NIGHT GOWN				TUXEDO			
PANTS SUIT				<b>CHILDREN'S CLOTHING</b>			
SHOES				BOOTS			
SHORTS				COATS/JACKETS			
SKIRTS				DRESSES			
SLACKS				PANTS/JEANS			
SUITS				SHIRT/BLOUSE			
SWEATERS				SHOES			
SWEATCLOTHES				SWEATERS			
T SHIRTS				SWEAT SHIRTS			
<b>SPORTS</b>				SKIRTS			
BALLS				T-SHIRTS			
BIKE				<b>INFANTS</b>			
EXERCISE EQUIPMENT				0 - 4 T/CLOTHES			
FISHING ROD				BABY			
GOLF BAG				COATS 0 - 4 T			
GOLF CLUB				DOLLS			
ICE/ROLLER SKATES				STUFFED TOY			
PUZZLES				TRICYCLE			
TENNIS RACKET				WAGON			
TOOLS							

**Front Page Total**

**Back Page Total**

**Grand Total**


**VALUATION GUIDE FOR ITEMS DONATED TO CHARITABLE ORGANIZATIONS**

The items priced on this sheet are a hybrid of prices from a Salvation Army Store in NY, an article in Good Housekeeping, and from pp 10-28 NCPE Workshop, 1995. New or expensive items would be higher and damaged materials less. **This list is for your guidance only.** There are, of course, variables such as: condition, age, and antique value. If the donations total exceed \$500, bring in the receipt(s) from the organization and an itemized list with your name at the top of each page. **Please total each page.**

<b>KITCHEN &amp; HOUSEHOLD</b>	<b>QTY</b>	<b>FAIR MARKET VALUE</b>	<b>TOTAL VALUE</b>	<b>APPLIANCES / FURNITURE</b>	<b>QTY</b>	<b>FAIR MARKET VALUE</b>	<b>TOTAL VALUE</b>
GLASSES/MUGS				AIR CONDITIONER			
MIXER/BLENDER				BED W/ MATTRESS/DBL			
PLATES				BED W/ MATTRESS/SINGLE			
POTS/PANS				CHAIR			
SALT/PEPPER SHAKERS				CHEST			
TEAPOT				CHINA CABINET			
TUPPERWARE				COFFEE TABLE			
VACUUM CLEANER				COMPLETE BEDROOM SET			
<b>APPLIANCES / FURNITURE</b>				COUCH			
COMPUTER				CRIB W/MATTRESS			
COPIER				DESK			
DRYER				DINING RM SET			
KITCHEN SET				DRESSER W/MIRROR			
MICROWAVE				2 END TABLES			
MONITOR				FLOOR LAMP			
PIANO				HEATER			
PLAY PEN				HIGH CHAIR			
PRINTER				KITCHEN CHAIR			
RADIO				KITCHEN TABLE			
REFRIGERATOR				LAMP			
RIDING MOWER PUSH MOWER				PLAY PEN/PACK-N-PLAY			
SEWING MACHINE				ROLL-A-WAY BED			
SOFA				RUGS			
STOVE				STROLLER			
TRUNK				TV (WORKING)			
UPHOLSTERED CHAIR							
WASHER (WORKING)							
<b>MISC LINENS ETC.</b>				<b>MISC ITEMS</b>			
BEDSPREADS				PAPERBACK BOOKS			
BLANKETS				HARD COVER BOOKS			
CHAIR COVERS				CDs, DVDs, TAPES			
CURTAINS							
DRAPES				CARS/BOATS			
SHEETS							
TOWELS							
PILLOWS							

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