

Checklist for Preparing Your Income Tax Return

Use the following detailed checklist to gather information for preparing your income tax return. Not every category will apply to you. Just pick the ones that do apply and make sure you have that information available. When you're ready to prepare your return at tax-tips.org, you'll be surprised how much time you will save by organizing your information ahead of time.

Before You Start

Print this article. Check things off as you collect them, and enter information such as Social Security numbers and cash amounts.

If you maintain your financial data in a personal finance software program such as Quicken®, print a report of your financial transactions for 2003. This is an invaluable resource as you prepare your tax return, and helps you clearly see where your money goes each year. Having this information in report form is much easier than going through cancelled checks or your check register for the entire year.

As you review the report, highlight information you will need for your return or make notes to remind yourself of something later. If you need more information on a certain item, the report makes it easier to find the item on the computer when you need the detail. For example, if you know you paid check number 1077 to the IRS but don't know if it was for last years' balance due, an estimated payment for this year, or an extension payment, you can do a search for check 1077 and get more detail. Most software packages have a variety of reports that you can print to help with your specific needs. Now you're ready to start gathering information. This checklist is divided into relevant tax categories to help you organize your information. As you receive or locate an item, check it off of the list.

Personal Information

Social Security Numbers

- Yours _____
- Your Spouse's _____
- Dependents' _____

Advance Child Tax Credit Payment

- Copy of the IRS notice announcing the amount of your payment
- Amount of the payment you received

Childcare Costs

- Cancelled checks or invoices
- Childcare provider's name
- _____
- Provider's address _____
- Provider's tax ID or social security number

Education Costs

- Receipts for tuition (or cancelled checks) for post-high school education

Adoption Costs

- Legal fees
- Transportation
- Other costs

Income Information

Income From Jobs

- W-2 forms for all employers for whom you and your spouse worked in 2003

Investment Income

- Interest income - Form 1099-INT
 - Dividend income - Form 1099-DIV
 - Proceeds from the sale of stocks, bonds, etc. - Form 1099-B
 - Confirmation slips or brokers' statements for all stocks, etc. that you sold in 2002/3
 - Schedule(s) K-1 (Form 1065) from investments in partnerships
 - Income from foreign investments – Amount of foreign taxes paid (you can find this on the brokers' statement)
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- Income from stock option exercises and sales:
 - Stock option agreement (showing type of options you received)
 - Stock option statement showing exercise prices of options
 - Form 1099-B for proceeds from stock sale
 - Sale of employee stock purchase plan shares:
 - Form 1099-B for proceeds from stock sale
 - Stock price on grant date
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- Stock price on purchase date
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- If stock sale occurred before qualifying period begins, Form W-2 showing "compensation income" from a disqualifying disposition

Income from State & Local Income Tax Refunds

- Form 1099-G from state or local governments
- State income tax return from 2002
- City income tax return from 2002, if any

Alimony

- Bank statements or record of deposits

Business or Farming Income

- Books/accounting records for your business, OR:
- Invoices or billings
- Bank statements
- Cancelled checks for expenses
- Payroll records

In addition you need:

- Invoices for major machinery, equipment, furniture, etc. purchases
- Logs or other records listing vehicle mileage
- Inventory records, if your business maintains an inventory of goods or materials

If You Use Your Home For Business

- Square footage of your home office area

- Total square footage of your home

- Total rent paid, if home is rented

- Mortgage interest reported on Form 1098

- Property tax payments from assessor's bill, cancelled checks, or impound records

- Homeowner's insurance premium payments

- Invoices for repairs and maintenance on your house
- Utility bills

IRA/Pension Distributions

- Form 1099-R for payments from IRA or retirement plans
- Account summary form for the year for your IRA accounts, OR
- Deposit receipts and contribution records
- If you received a distribution from an IRA account – The most-recently filed Form 8606, if you made contributions to IRAs that weren't deductible on your return

Rental Property Income

- Profit and loss statements from your property manager, OR
- Checkbook or cancelled checks for expenses
- Form 1099-Misc or other records for rental income paid to you
- Mortgage interest reported on Form 1098
- Property tax payments from assessor's bill, cancelled checks, or impound records
- Record of suspended rental losses from prior years (usually shown on last year's return)

Unemployment Income

- Form 1099-G from your state unemployment agency, OR
- Unemployment check stubs and deposit records

Social Security Benefits

- Form SSA-1099

Income from Sales of Property

If the property was sold in 2003:

- Sales proceeds - Bill of sale, closing statement or other records
- Cost of the property you sold – Invoices, receipts, or cancelled checks
- Improvements made to the property – Invoices or construction contracts and cancelled checks

If the property was sold at a profit before 2003 on the installment basis:

- Previous year's return – Form 6252, Installment Sales
- Amount of principal collected on the installment note owed to you and the date you received each payment

- Amount of interest collected on the note

- Name, address and social security number of the buyer

Miscellaneous Income

- Jury duty pay records
- Form(s) W-2G for gambling and lottery winnings
- Receipts for all gambling purchases
- Form 1099-MISC for prizes and awards you received
- Form 1099-MSA for distributions from medical savings accounts
- Scholarship records (if you used the money for anything other than tuition, books, and supplies)
- Director's fees receipts if you received money for serving on a corporate board of directors

Adjustments

IRA Contributions

- Year-end account summary or bank statements

Student Loan Interest

- Form 1098-E showing interest paid, OR
- Loan statements

Medical Savings Account Contributions

- Account statements OR
- Cancelled checks

Moving Expenses

- Invoices from moving companies, OR
- Cancelled checks AND
- Paycheck stub for moving expense reimbursements

Self-employed Health Insurance

- Insurance premium bills, OR
- Cancelled checks

Keogh & SEP Pension Plans

- Year-end account summary, OR
- Cancelled checks

Alimony

- Cancelled checks

Educator Expenses

- Cancelled checks for expenses paid for classroom supplies, etc.

Itemized Deductions

Medical & Dental Expenses

- Medical bills or cancelled checks
- Form SSA-1099 for Medicare premiums paid from your social security benefits
- Year-end pay stub if premiums were paid through your wages (only if the deductions were after-tax)
- Mileage records for trips to the doctor, clinics, etc.

Taxes

State and local income taxes:

- Last year's state income tax return
 - W-2s
 - Cancelled checks for state estimates paid
- Real estate taxes:
- Tax collector bills or cancelled checks
 - Form 1098 or closing statement if you bought, sold, or refinanced property in the current year
- Personal property taxes:
- Tax bills or cancelled checks
 - Automobile licensing bills, if fees are charged annually based on value

Interest You Paid

Home mortgage interest:

- Form 1098, OR
- Your mortgage statement or bill for January, 2004

Points:

- Form 1098 if you purchased a home in 2003
- Your 2002 tax return if you refinanced in prior year

Interest paid on investment loans:

- Brokers' statements showing margin interest paid
- Loan statements for loans taken out to purchase investments

Charitable Donations

Cash donations:

- Charity bills, receipts, or cancelled checks
- Records of the mileage incurred for charitable purposes (Scouts, etc.)

Donations of Property:

- Receipts from charitable agency
 - Estimated value of property given
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- Appraisal fees for expensive donations
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Other charitable donations:

- Prior years' tax returns if you have unused charitable contributions (carryovers) from earlier years

- Year-end paycheck stub if donations were paid through your wages

Casualty & Theft Losses

- Description of property damaged or stolen
 - Receipts or cancelled checks showing cost of property
 - Insurance policy and insurance reports showing reimbursement
 - Appraisal fees if applicable
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Job Expenses

- Job travel information:
 - Invoices, receipts, or ticket stubs for transportation
 - Mileage records per vehicle used
 - Hotel bills
 - Restaurant tickets showing name and address of establishment
 - Parking fee receipts
- Union dues – Paycheck stub for automatic withdrawals
- Gifts to clients, etc. – Receipts showing date, cost, description
- Supplies – Receipts or bills
- Property purchased for use in your work – Invoices, receipts
- Uniform and special clothing costs – Bills or paycheck stubs showing deductions
- Seminar fees – Receipts or invoices
- Professional publications and books – Receipts or invoices
- Receipts for small tools and supplies you purchased
- Job search expenses:
 - Long-distance call bills
 - Resume costs (printing, mailing, resume service, etc.)
 - Transportation bills and mileage records
 - Employment agency fees
 - Career counseling costs
- Job-related educational expenses:
 - Tuition, fee, and book receipts for education that maintains or improves your present skills
 - Transportation receipts
 - Lodging receipts if you take classes away from home

Other Miscellaneous Deductions

- Tax return preparation fees – Invoices or cancelled checks
 - Cost of tax return preparation software and books – Receipts or cancelled checks
 - Safe deposit box rental fees from bank invoice or statement
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- IRA custodial fees (if paid from a non-IRA account)
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- Payroll records for office workers managing your investments
 - Investment advice costs: invoices or bills

Information on Household Employees

- Wages paid during 2003
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- Employee's social security number
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Tax Payments

- Quarterly estimated tax payments – Records showing the date paid and amount
- If you applied a tax overpayment from 2002 to 2003 – your 2002 income tax return
- If you filed for an extension for your 2002 tax return – Cancelled checks for payments you made with the extension

Direct Deposit Information

If you want your refund deposited directly into your bank account, you need your:

- Routing number from the lower left side of one of your checks (usually the first nine digits):
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- Bank account number from the bottom of check or on bank statement:
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Foreign Bank Account Information

- Name of financial institution
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- Location of financial institution
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- Account number
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