

Your name _____

Your phone number _____

Dear Client:

In accordance with IRS rules, all taxpayers in a trade or business (including farmers) must give Form 1099-NEC or 1099-MISC, to each individual paid **\$600** or more during a calendar year in fees, commissions, attorney fees, rent, or any other form of compensation not reported on a Form W-2. Form 1099-INT must be prepared for interest paid in the amount of **\$10** or more. A penalty of \$100 per statement is imposed on non-filers, with interest and penalties imposed for filings after the February 1, 2021 deadline.

Examples of 1099 filing situations for taxpayers include: farm custom workers, veterinarians, lawyers, accountants, independent contractors, farm managers, land rent, land contract interest, commissions, fees, etc. You **must** have the payee's social security number or employer identification number, whichever applies, or an IRS penalty of \$50 for each failure to furnish numbers will apply and you will be required to withhold federal tax from the payee next year.

IMPORTANT: If your home was purchased on a contract for deed, you are also required to report on Form 1099-INT the seller's name, address, and social security number along with the dollar amount of interest paid in order to claim the deduction.

In order to assist you in meeting these filing requirements by the due date of February 1, 2021, we will need the following information by January 15, 2021:

1. Name, address and **social security number or employer identification number** of recipient. If the recipient is an individual or sole proprietor, we need the **individual's name** and **social security number**, even if they have a trade name and a federal identification number. If the recipient is a partnership, LLP or LLC we need the **business name** and **federal identification number**. Corporations except lawyers and veterinarians should not be issued 1099s. **Please be sure you have the proper number to avoid IRS notices.**
2. Amount paid to recipient during 2020.
3. Your telephone number.

If a federal identification number has been issued to you, that number must be used on your 1099s along with your business name. If a federal identification number has not been issued to you, use your social security number along with your name.

Please complete the enclosed worksheet from your records and mail it to us, along with your 1099 label, before January 15, 2021 to insure timely filing of your 1099 reports.

If you have any questions, please do not hesitate to contact our office.

Sincerely,

Guinn, Vinopal & Zahradka, LLP

Guinn, Vinopal & Zahradka, LLP

CHECKLIST FOR FARMERS

- ! Send all 1099 worksheets to accounting office by January 15, 2021. Be sure to have proper names, addresses, spellings, and social security numbers. If you paid an individual, we need the individual's **name** and **social security number**, even if they operate under a business name with a federal identification number. Partnership, LLP, and LLC payments go under the **business name** and **federal identification number**. Attorneys are to receive 1099s if you paid any legal fees in 2020 related to your farm. Corporations should not be issued 1099s, unless they are law firm or veterinarian corporations.

- ! Send all payroll information to accounting office by January 15, 2021.
 - Employee earnings records (detail the amount paid and taxes withheld by date). Please provide the gross pay before deductions, a breakdown of taxes withheld and the net amount of all checks. If you pay by commodities, earnings records must contain dates and quantities. Please remember, we need accurate addresses and social security numbers.

 - Copies of all payroll reports filed during 2020.

 - A list of the payroll tax deposits you made and the dates paid.

 - All government tax forms received

- ! Confirm appointment date, time, and location.

- ! Bring to appointment:
 - Farm records

 - Completed tax organizer booklet

 - A listing (with dates and dollar amounts) of machinery and livestock bought and sold. Please indicate cash outright or trade and new vs. used machinery purchased. Also bring in the paperwork.

 - All 2020 original real estate tax slips payable in 2021.

 - All 1099s you have received (mail subsequent 1099s as soon as you receive them). Please bring all the information sent by investment companies with their 1099s.

 - The amount of health insurance premiums paid.

 - Number of gallons of gas used for exempt farm purposes on which you paid the highway tax.

 - Farmland preservation zoning certificates updated for 2020, if any changes were made in 2019.

 - Names, addresses and social security numbers of all individuals you made payments to or received payments from on land contracts.

 - Business vehicle use worksheet (completed for all business-use vehicles).

BUSINESS VEHICLE USE

The IRS requires adequate records in order for you to take a deduction for business use of your automobiles in 2020.

Form 4562 Depreciation and Amortization or Form 2106 Employee Business Expenses must be attached to your tax return if you have an automobile expense deduction. These forms require the listing of every automobile, and the reporting of total miles, business miles, and personal miles driven during 2020. Without records to substantiate this, there is no deduction allowed for automobile business usage. The computation of your business and personal mileage must be written. We are not required to see this computation. We do need this information in summary at the time of your income tax interview. It will be most helpful if you will fill out the following information and bring it in with your other income tax information.

	AUTO 1	AUTO 2	AUTO 3
Year and Make	_____	_____	_____
Business Miles	_____	_____	_____
Commuting Miles	_____	_____	_____
Other Personal Miles	_____	_____	_____
= Total 2020 Miles	=====	=====	=====
Ending odometer reading	_____	_____	_____

Do you have evidence to support the business miles? _____

Is the evidence for business miles written somewhere? _____

(We have free mileage logs available at all of our offices)

SIGNATURE

DATE

Business mileage Rate	<u>2021</u> \$.56/mile	<u>2020</u> \$.575/mile
Medical/Moving Mileage Rate	\$.16/mile	\$.17/mile
Charitable Mileage Rate	\$.14/mile	\$.14/mile

EDUCATION INCENTIVES

Several recent tax laws have created potential post-secondary education expense deductions and credits to be claimed on your income tax returns. Please fill out the following information for each family member and **attach all applicable forms received from school(s) attended and copies of all tuition invoices.**

	Name of Student			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Standing per school records at January 1, 2020 (Freshman, Sophomore, Junior, Senior)				
School Attended				
If NOT a Wisconsin school, did you pay the same tuition rate as an in-state student?				
Enrollment status Full time/Part time				
2021 expenses paid in 2020? Yes/No-If Yes provide details				
Tuition, fees, books & supplies paid (not including room & board) January 1, 2020 to December 31, 2020 Provide Form 1098-T				
Contributions to a '529 Plan' (qualified college savings plan) in 2020.				
Distributions from '529' Plan?				
Will/did your college age dependent claim themselves on their own tax return?				
Did you withdraw money from retirement plans to pay for tuition? Provide details.				
<u>STUDENT LOAN INTEREST</u>				
2020 student loan interest paid				
Primary debtor - child/parent?				
Parents co-signed? Yes/No				