

INFORMATION 2021

(Update: July 15, 2021)

[1] If you feel that you may be able to itemize deductions, submit a total list of your charitable contributions. If not, taxpayers filing Single or HH may deduct up to \$300 in cash contributions to qualified charities even though they don't itemize. If you file MFJ, you may deduct up to \$600. Provide your actual charitable deduction total below.

[2] The Child Tax Credit changes are currently only for 2021. The credit is 3,600 for children five and under and 3,000 for children 6-17. You may have received up to 50% of your credit through monthly payments starting in July 2021. See the 2021 Tax Law Changes and/or the 2021 Selective Tax Law Changes. Provide the amount of your advance payments below.

[3] For those individuals starting their social security, up to 85% of your gross amount may be taxable. Use Form W-4V to request income tax withholding. The withholding rates are 7, 10, 12 and 22%. If you are still working, it is likely that at least some of your social security will be taxable. Unless you need the extra money, it usually pays in the long run to hold off on receiving social security until you quit working or until age 70, whatever occurs first. There is NO benefit to waiting past age 70. Your benefit increases about 8% a year from your Full Retirement Age to age 70.

[4] Required Minimum Distributions (RMDs) are back for 2021. The age to start taking RMDs is now 72. However, if you took a RMD and had a charitable contribution from a deferred account such as an IRA mailed directly to a qualified charity, I need to know the amount. Your 1099-R will show the total RMD and I will have to enter the charitable amount into your tax return. This is a great way to make qualified charitable contributions even if you don't itemize deductions. Provide your qualified charitable contributions total below.

[5] Recovery Rebates / Stimulus Payments. The rebate amount that you may have received around April 2021 (Stimulus #3) is considered a special credit on your 2021 return. For most people, the rebate will equal the tax credit allowed. Taxpayers whose credits exceed their rebates can claim the balance on their 2021 returns. Provide your exact rebate amount below.

[5] The following must be submitted in addition to the usual tax documents such as W-2, 1099-R, 1099-SA (Social Security), 1099-NEC and 1099-MISC.

_____ Charitable contributions. [1] above.
_____ Child Tax Credit advance payment total. [2] above.
_____ Charitable contributions as part of a required minimum distribution (RMD). [4] above.
_____ Stimulus/rebate payment received in 2020. [5] above.
_____ _____ IRS PIN(s) if received. See client letter. IRS mails around December 2021.
_____ Estimated Tax Payments for federal return by quarter starting in April 2021.
_____ Estimated Tax Payments for state return by quarter starting in April 2021.

[6] Check the web site at romgilbert.us for additional information. Every effort will be made to notify clients without email of breaking news by phone.