

**Jamie Duman**  
**Certified Public Accountant**

Dear Friends,

I hope you and your loved ones are faring well during these challenging times. Below you will find information about putting together your tax materials so that I can prepare your returns both efficiently and thoroughly:

Appointments:

Due to an abundance of caution, all appointments for the 2021 tax season will be virtual. I am set up to handle Zoom or FaceTime Meetings. Remember to call early to set up your appointment, as certain dates and times will fill up quicker than others. I would like to have your information prior to our meeting so I can prepare questions for you in advance. You can email, fax or drop off your information. There is a secure drop box (mail slot to the left of the main doors) on the face of the building.

Copies of Tax Returns:

As in the past, we are offering the option to receive your tax return either in electronic format or as a paper copy. If you would like to pick up your returns, please call to set up an appointment. Again, we are trying to take every precaution by limiting the number of individuals in the front office at one time. If you would like your tax return to be emailed, we will need an email address. We use a time-sensitive encryption program to ensure confidentiality. Please let us know your preference.

Stimulus Check:

Most of you received a “Stimulus Check” during the summer of this year. In some instances, the check was less than the amount you should receive, but we can only determine this if we know how much you’ve already received. The IRS informed you of the total amount you should receive with Notice 1444. If you received this notice, we will need to reconcile. Whether you received the notice or not, however, please let us know how much you received with your stimulus check.

Charity:

ALL deductions of any amount must have a receipt. Any individual contribution over \$250 must also have an acknowledgement letter from the charity, and the letter must be dated by the date we file your return. The letter should show the date and amount of any individual contribution over \$250 and should also state that no goods or services were received in return for the contribution. **Additionally, there is a new deduction for charity amounts that does not require you to itemize, so please let us know of all cash contributions you made in 2020.**

Virtual Currency:

The IRS continues to increase their focus on virtual currency (like Bitcoin, for example). The 2020 Form 1040 now has the question on the very first line of the 1040 asking whether you have

bought, sold, traded or spent any virtual currency. Please bring it to my attention if this applies to you.

Mortgage Insurance Premiums (PMI):

The IRS retroactively reinstated the deduction for mortgage insurance premiums. Please be sure I am aware if you paid these premiums in 2018 or 2019 so we can consider amending those tax returns.

Residential Energy Tax Credits:

This is a tax credit that was reinstated retroactively. Please be sure I am aware if you had any home improvements that may have qualified during 2018 or 2019. We will need to consider whether the tax savings justifies amending those tax returns.

Organizers:

Blank organizers are available on my website: [www.jamiedumancpa.com](http://www.jamiedumancpa.com). If you would like to request a personalized tax organizer with last year's information filled in, please call, email ([frontdesk@jamiedumancpa.com](mailto:frontdesk@jamiedumancpa.com)), or simply return the request slip at the end of this letter.

Foreign Bank Accounts:

There are increased fines for not reporting that you have a foreign bank account (or signature authority over a foreign bank account). It doesn't have tax implications, but it is necessary to file the FBAR report. Please let me know if this applies.

IRA:

The maximum IRA and Roth IRA contribution for 2019 will be \$6,000 plus \$1,000 if age 50 or over. Income limitations apply. This must be made by April 15, 2021, to be deducted in 2020.

Health Savings Account (HSA):

A health savings account (HSA) is a savings account set up exclusively for paying the qualified medical expenses of the account beneficiary or the beneficiary's spouse or dependents. The HSA reduces taxable income in the same manner as an IRA and, therefore, is another way to save on income taxes. However, there are numerous restrictions relating to health insurance plans, so, if interested, please check with your insurance agent regarding whether you qualify to use an HSA. If you make a contribution to an HSA, make sure you get me the information to ensure we take the deduction. Similar to IRAs, these contributions can be made up until April 15, 2021 and still be deductible on your 2020 income tax returns.

Affordable Health Care:

With the Affordable Health Care Act, information on your health insurance coverage has become an important aspect of preparing tax returns. Please complete the included Health Care Coverage Questionnaire and return it to our office when you provide your tax information.

\* If you received a credit on your insurance through the insurance exchange, you will receive a form from them. **This is Form 1095-A, which I will need in order to prepare your returns.** If you have qualified for the exemption, please go to the exchange for the verification sheet.

College Savings Plans:

These accounts are no longer limited to expenditures for college. The new tax law expands the accounts to now cover K-12 schooling costs. The State of Idaho has an IDEAL college savings plan that provides for tax savings on the state return. If you are interested, more information is available at [www.idaho529.org](http://www.idaho529.org). If you already have an IDEAL plan, please let me know!

Hobby Losses:

When business activity is deemed to be a hobby (without profit motive or too many years of losses), the IRS will limit and/or disallow deductions.

Privacy Policy:

The company privacy policy is available on my website. If you have any questions or concerns, please do not hesitate to contact me.

Please remember:

\* Per IRS directive, we will be electronically filing all tax returns that are eligible. If you wish to paper file, there is an additional release form you need to sign.

\* If you would like direct deposit for a refund, we will need a cancelled check or a photocopy of a check for the account you wish to deposit into. Deposit slips are not acceptable.

\* Finally, for those of you who are typically last-minute filers, ALL of your tax information needs to be in my office no later than Monday, March 30, 2021, in order for us to meet the April 15 filing deadline. Otherwise, contact our office and we will be happy to file an extension on your behalf; however, you will still be responsible for making an estimated payment on time, if necessary. We will not be responsible for late penalties.

As always, please let us know if you have questions.

Best Wishes,

Jamie Duman  
Certified Public Accountant  
Enrolled Agent