

# Business Financial Consultants, Inc.

## MBA Tax Checklist

As explained in our web site our intention when working with an MBA is to develop a lifetime client. The first thing we are going to do is prepare an office file for you as a new client. Therefore, we would like to have at least one year of prior tax returns to include in the file, both federal and state.

### Income Items

<b>Wages</b>	Send your forms W-2 from all of our employers, and if received, any forms 1099.
<b>Interest</b>	Send copies of bank statements, brokerage statements, any forms 1099, etc.
<b>Dividends</b>	Send copies of mutual fund statements, brokerage statements, and any forms 1099, etc.
<b>Capital Gains</b>	Send source documents on original basis and the sale price, schedule out gain/loss in spreadsheet format. Will need dates of acquisition and disposition.
<b>Flow Through</b>	Any income that flows through to you such as Partnership, S-Corporation, LLC, and Trust income should be substantiated with a Schedule K-1.
<b>Other Income</b>	Supply documents or the dollar amount on any other income such as unemployment compensation, early withdrawal of IRAs and 401(k), social security, alimony, and anything else.
<b>Self Employed</b>	Supply both income and expenses of your self employed earned income.

### Income Adjustments

Let us know of any type of adjustment you may have to your income. Items to look for would include the following:

Alimony Paid	IRA Contributions
SEP Contributions	Penalties on Early Withdrawals
Keogh Contributions	Moving expenses

## Expenses

### Educational Expenses

These expenses would include tuition and fees. Some schools charge a medical or health maintenance fee. This would not be deductible as an educational expense, but could be potentially deductible as a medical expense. Other educational expenses include:

Text Books and Supplies	Computer and Printer
Subscriptions Related to School	Travel Related to School
Software for School	Application Fee to School

### Internship Expenses

When you are traveling away from your primary residence on temporary business travel, such as an internship, you may incur deductible expenses, such as:

Lodging, i.e Rent, Motel, etc.	Electricity
Gas, Heat, etc.	Water and Other Utilities
Telephone	Travel
and	

Daily Meals... We can calculate this using an IRS Per Diem Rate if we know the number of days you were on assignment and in what city you were interning.

### Job Search Expenses

If you are looking for a job in your established "trade or business", (your chosen occupation), then the underlying expenses of this job search are deductible. The expenses would include:

Travel and Lodging	Meals on the Road
Long Distance Telephone	Mass Mailings
Head Hunter Fees	Resume Assistance
Career Manuals or Books	Typing

### Deductible Taxes Paid

Taxes you paid during the year would be deductible. These would include income taxes paid at both the state and local level; property taxes such as real property or personal property. Keep in mind any ad valorem tax such as some states' license plate fees are based on the value of the auto.

### **Deductible Interest Paid**

Deductible interest would include Mortgage Interest, Margin Interest, and Investment Interest. This includes points paid.

### **Medical Expenses**

Include all medical expenses such as insurance premiums, dental visits, doctor visits, eye doctors, etc., prescriptions, and any other expense attributable to medical. Also include the number of miles driven for medical purposes.

### **Charitable Contributions**

Let us know all the gifts to charity you made. This would include cash and non-cash gifts. For gifts of non-cash over \$500 we need to know the date of the gift, the name and address of the charity, the description of the gift, the assigned value of the gift, along with your original cost and the method you acquired the item, (i.e. purchased, inherited, etc). Include the number of miles driven for charity.

### **Other Employee Business Expenses**

These expenses would include association fees, licenses, dues and subscriptions related to business. Special business clothing, (this does not include business suits), shoes, and dressings. Any type of union dues. Travel costs attributable to a job that was not reimbursed by your employer.

### **Other Miscellaneous Deductions**

These would include safe deposit fees, certain investment expenses, tax preparation fees, and investment and tax counsel.

*We have attempted to include the major items of income and expense in this checklist. Even so, there are going to be specific items of income or expense that are not included. If you have questions or specific items please call us to discuss them.*