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January 2025

It's Tax Time Again!

Dear Friends,

We hope you and your family enjoyed the holiday season. Another tax season is approaching, and you should start receiving your tax documents in the mail or online in the next few weeks. For those of you that upload your documents to SmartVault, you can upload your data as the documents come in or scan it all once you receive the final item. Either way, please e-mail us when you have uploaded your final documents to the portal.

2024 Tax Returns: Our office tax season hours will begin on Monday, January 27th. Our tax season office hours are Monday – Friday 8:30 am – 8:00 pm and Saturdays 8:30 am – 4:30 pm. The office is closed on Sundays. If you have not yet called for a sit-down appointment, please call now as there are limited openings available. If you drop off/upload your documents after March 22nd, we cannot guarantee the return will be completed by the deadline and an extension will have to be filed and you may be responsible for penalties and interest if you owe money. Once again, we will not automatically file an extension without a request from you to do so. The extension is just an extension of time to file, not an extension of time to pay. Without preparing your return, we will not know how much you should send in with your extension request.

Phone & Virtual Appointments with John: For those of you that booked a phone conference or virtual appointment with John, we will need your tax documents at the office or uploaded 2 weeks prior to that appointment. Even if you do not have all your documents at that time, we ask that you get us what you have, and John can let you know what is missing prior to your appointment. If you mail your tax data in for John, we request that you now mail your documents directly to John at his SC address rather than our Waterloo Road office in NJ. You can mail or call in your payment to our NJ office. John's new SC address is below:

Kulawiak Financial Services
1000 S. Commons Dr.
Suite 103 Box 394
Myrtle Beach, SC 29588

SmartVault Portal: We highly encourage you to use our SmartVault portal. For security reasons, we can no longer accept tax documents via e-mail. For those of you that have activated your SmartVault account, the web address is nkinc.smartvault.com (please note there is no www. ahead of the address). There is no cost to sign up for your account and you will have access to your tax documents and tax returns dating back to 2012. If you have not established your SmartVault account yet, please e-mail us and we can send the invitation link for you to register.

2024 Unemployment 1099-G Form: If you collected unemployment at any time during 2024, you must log on to the website where you filed and collected your benefits to download the 1099-G form. Most states post the 1099-G forms online in the last two weeks of January.

Residential Energy Credit: As part of the Inflation Reduction Act, the IRS introduced a new Residential Energy Credit. Taxpayers are now eligible to take a credit on their tax return for new, energy efficient property installed in their primary residence as well as their vacation/second home. Appliances do not qualify but new windows, exterior doors, air conditioning systems, furnaces, hot water heaters, insulation, and amounts paid for home energy audits all qualify. Each improvement is listed and calculated separately so if you have multiple energy saving improvements, we will need each improvement and the amount spent listed separately.

Required Worksheets for Federal Tax Credits: For those who claim the Earned Income Tax Credit, Child Tax Credit, and/or American Opportunity Credit, as well as the Head of Household filing status we will once again have worksheets for you to complete and include with your tax documents. Even if you filled out a worksheet for any of these last year, we are required to have you complete a new worksheet for that same credit/filing status on your 2024 tax return. We do need them completed and signed by you prior to us working on your tax return. It would be extremely helpful if you could complete them and include them with your documents ahead of time, but we will have extra copies in the office if needed.

For clients with college tuition expenses, we will need a copy of Form 1098-T to calculate the credit. If 529 College Savings Plan funds were used to pay for some or all of the college expenses, we will also need the 1099Q provided by the 529 financial institution along with the copy of the college bursar's statement or tuition statement for each semester. These might only be accessible by the student on their student portal.

New Filing for Business Entities: Corporations, S-Corporations, Partnerships, and LLCs (including Sole Owner/Single Member LLCs) have a new Beneficial Ownership filing they must complete. This must be completed by the business owner(s) and/or their attorney. This is not a tax reporting form so our firm cannot assist in this filing since we do not provide legal advice. Here is a link to the Beneficial Ownership filing homepage (https://www.fincen.gov/boi) as well as a link to their FAQ page (https://www.fincen.gov/boi-faqs).

Tax Checklist: Enclosed in this letter is our annual checklist of items to bring with you (or mail in) as well as copies of the worksheets for the various credits. For our drop-off and mail-in clients, we are again requiring you to complete our Drop Off/Mail In form prior to working on your return. This newsletter as well as the annual checklist and worksheets for the credits are all on our website, https://www.kulawiakfinancialservices.com/Client-Newsletters-and-Forms.9.htm.

Best Regards,

Ed, John, Carrie, & Michele

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Courtesy of Nerenberg & Kulawiak, Inc.
Phone: 973-347-3552

1. Personal Information

Married or divorced in 2024? If divorced, bring copy of divorce decree
Change of dependents? Name, date of birth, SS#--Any in college, what year?
Change in address/phone number?
Your job title/Spouse's job title
Any changes coming in 2025?
Direct deposit your refund into the same account as last year?
If you have a new bank account, please include a voided check.
Taxpayer & Spouse government id (passport, driver's license)

Do you have a financial interest or signature authority on a non-US bank or financial account? YES or NO

In 2024 did you receive or sell, exchange, gift, or dispose of a digital asset/cryptocurrency? YES or NO

Would you like a paper copy of your tax return for an additional $5 fee? YES or NO
If no, please provide an e-mail address for an invite to our SmartVault portal.

2. Income

All W-2's
Any 1099's:
- -Interest and Dividends
- -Unemployment (*NJ Unemployment 1099G is only on the unemployment website*)
- -Pensions & Annuities

Sale of Property--Closing/Settlement statement plus dates of purchase & sale, purchase & sales price, cost of improvements
Social Security Benefits - Form 1099-SSA
Sale of Stock/Mutual Fund--Form 1099-B showing sales date and sales amount.
Lottery/Gambling Income and Losses
Other Income--Prizes & Awards, Alimony received
Rental Property Income & Expenses - HUD-1 from purchase/sale of property
Self Employed business income & expenses

3. Deductions

IRA Contributions including Roth IRA contributions
529 Plan Contributions: Include a year end statement. Many states now have a deduction or credit for contributions to a 529.
Alimony Paid--amount & social security number of recipient
Property Taxes Paid
Closing/Settlement Statement from closing of new house or re-finance
Home Mortgage Interest (Form 1098, not the escrow statement)
Contributions to charity - Need letter from organization & cancelled checks. Cash no longer allowed
Clothing/property donations - Must have itemized list detailing name & address of organization & donated value
Rent paid for apartment-Not deductible on federal return, but many states have a rent deduction
Student Loan Interest Paid - Form 1098-E
NY & PA filers - Job Required expenses such as union dues, uniforms, etc. are still deductible.

(Over)

4. Credits

Child Care--Name, address, and tax id number of provider
Breakdown of amount paid for each child
Education expenses (Tuition, books, etc.)
Form 1098-T will be mailed or posted to the student's online account.

5. Estimated Taxes Paid

	Date Paid	**Amount Paid**	**Check Number**
Federal 1st Qtr. (Due 04/15/2024)			
Federal 2nd Qtr. (Due 06/17/2024)			
Federal 3rd Qtr. (Due 09/16/2024)			
Federal 4th Qtr. (Due 01/15/2025)			
State 1st Qtr. (Due 04/15/2024)			
State 2nd Qtr. (Due 06/17/2024)			
State 3rd Qtr. (Due 09/16/2024)			
State 4th Qtr. (Due 01/15/2025)			

6. Medical Expenses/Health Insurance

Health Insurance Paid - - Including COBRA but exclude pre-tax insurance from paycheck
Was everyone on the return covered by insurance all 12 months? If not, what months and who was not covered?
Prescriptions - - In January, your pharmacy will have a print out with the total for each member of your household.
Medical Expenses-- Doctor visits, glasses, contacts, chiropractors, dentists, hearing aides, & mileage
Long Term Care Insurance premiums paid - Separate amounts for taxpayer and spouse

7. Residential Energy Saver Credit

Amount spent on New Energy Efficient Property. Each improvement is listed & calculated separately.

Windows	Doors	Air Conditioning	Water heater	Insulation	Furnace
$	$	$	$	$	$

8. NJ Veterans Exemption

If you have not already completed the NJ Veterans form and submitted it to NJ along with your DD-214 you can obtain all of that online here: https://www.state.nj.us/treasury/taxation/military/vetexemption.shtml. Just notify us that you have submitted the paperwork to NJ prior to preparing your tax return.