2023 · AS SOMEONE WHO IS WORKING, WHAT ISSUES SHOULD I CONSIDER WHEN REVIEWING MY 2022 TAX RETURN?

Collective Wealth PLANNING

FAMILY AND FILING ISSUES	YES	NO
Did you take the standard deduction of $12,950 (single) or $25,900 (MFJ) listed on Form 1040, Line 12? If so, consider whether bunching charitable contributions and/or certain expenses (e.g., medical expenses and property taxes) into one tax year may allow better itemization.	☐	☐
Are you married and do you want to protect yourself against liability issues, have a large disparity between your incomes, have large itemized deductions, or have certain income-based student loans? If so, consider preparing your tax return as both MFJ and MFS to compare the net tax liabilities. MFS may generate a smaller tax liability.	☐	☐
Are you recently divorced or has your spouse passed away recently? If so, review your filing status (top of Form 1040).	☐	☐
Do you have dependents (first page of Form 1040)? If so, consider the following: ■ If you have children under age 17 and your MAGI is below or within the phaseout range (starting at $200,000 single or $400,000 MFJ), you may be able to claim the Child Tax Credit. ■ If you paid expenses for the care of a qualifying individual (e.g., a dependent child under age 13) to enable you (and your spouse, if MFJ) to work or actively pursue work, you may qualify for the Child and Dependent Care Credit on Schedule 3, Line 2.	☐	☐
Are you (or your spouse or dependent children) in college? If so, consider the following: ■ If MAGI is below $90,000 (single) or $180,000 (MFJ), check Schedule 3, Line 3 to see if the Lifetime Learning Credit has been claimed. Credit is calculated on Form 8863. ■ If MAGI is below $90,000 (single) or $180,000 (MFJ), check Form 1040, Line 29 to find if the refundable portion of American Opportunity Tax Credit has been claimed. Credit is calculated on Form 8863.	☐	☐
Was there any AMT (Form 6251)? If so, consider the following: ■ Review strategies to reduce AMT, such as minimizing large capital gains or lowering income by maxing out retirement contributions. ■ If you paid a significant amount of AMT in 2021, check Form 8801 to see if you received a credit. (continue on next column)	☐	☐

FAMILY AND FILING ISSUES (CONTINUED)	YES	NO
Did you owe more tax (Form 1040, Line 37) or did you receive a higher refund (Form 1040, Line 34) than expected? If so, determine if this is due to a unique circumstance (such as the sale of a highly appreciated investment) by comparing taxable income from the last two years' tax returns.	☐	☐
Did you fail to withhold enough tax or did you underpay estimates? If so, review Form 2210 and Form 1040, Line 38 to see the amount of the penalty.	☐	☐

INVESTMENT INCOME ISSUES	YES	NO
Is any interest being reported (Form 1040, Lines 2a and 2b) or are dividends being reported (Form 1040, Lines 3a and 3b)? If so, reference Schedule B to understand which accounts are generating income, whether the interest is taxable or tax-exempt, and if the dividends are ordinary or qualified.	☐	☐
Is your earned income subject to Medicare tax (e.g., from wages or self-employment) above $200,000 (single) or $250,000 (MFJ)? If so, you may be subject to the Additional Medicare Tax of 0.9% (calculated on Form 8959).	☐	☐
Is your MAGI above $200,000 (single) or $250,000 (MFJ), and do you have significant Net Investment Income (calculated on Form 8960)? If so, you may be subject to the Net Investment Income Tax of 3.8%. If your MAGI is close to the thresholds, consider reduction strategies to avoid this surtax.	☐	☐
Were there any capital gains (or losses) reported (Form 1040, Line 7)? If so, see Schedule D, Line 13, for capital gain distributions. See Schedule D, Line 6 and Line 14, for short-term and long-term loss carryovers, ensuring that they have been carried over from previous tax returns.	☐	☐

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RETIREMENT PLAN ISSUES	YES	NO
Are you making deductible contributions to a traditional IRA (Schedule 1, Line 20)? If so, the total contribution limit for 2022 is $6,000 ($7,000 if you are age 50 or over). Reference "Can I Make A Deductible IRA Contribution?" flowchart.	☐	☐
Are you making contributions to a Roth IRA? If so, contributions are not reported on Form 1040, unless you are taking advantage of the Retirement Savings Contribution Credit. The total contribution limit for 2022 is $6,000 ($7,000 if you are age 50 or over). Reference the "Can I Contribute To My Roth IRA?" flowchart.	☐	☐
Did you reach your Required Beginning Date in 2022 or before, or do you have an inherited IRA? If so, make sure that your RMD has been satisfied and that it has been reported (Form 1040, Lines 4a and 4b or 5a and 5b).	☐	☐
Did you make a non-deductible traditional IRA contribution (Form 8606)? If so, ensure the cost basis is being tracked properly.	☐	☐
Did you take an early, non-qualifying distribution from an IRA (Form 1040, Line 4b)? If so, the penalty is calculated on Form 5329 and carried over to Schedule 2, Line 8.	☐	☐
Did you convert amounts from a traditional IRA to a Roth IRA? If so, check Form 8606 to ensure that the amount converted is reported and any non-deductible IRA contributions that were converted are treated as non-taxable.	☐	☐
Did you roll over retirement funds during the tax year from one account to another (e.g., 401(k) to IRA)? If so, ensure that it is treated as a rollover and not a taxable distribution by verifying that Form 1040, Line 4a or 5a, shows the amount of the rollover. Form 1040, Line 4b or 5b, should be $0 if no taxable distribution occurred.	☐	☐
Did you take a coronavirus-related distribution from an eligible retirement plan in 2020, and did you elect to spread the tax over 3 years? If so, check to make sure any taxable amount is reported on Form 1040, Line 4b or 5b.	☐	☐

INCOME RELATED ISSUES	YES	NO
Are you a W-2 employee? If so, consider reviewing your W-2 to look for the following: ■ HSA and FSA contributions from both yourself and your employer. ■ Retirement plan contributions and employer matching.	☐	☐
Do you have stock options and/or equity compensation (e.g., ISOs, NQSOs, RSUs)? If so, review your W-2 and Schedule D to understand your tax on exercising and on eventual sale (if applicable).	☐	☐

OTHER ISSUES	YES	NO
Are you making contributions to an HSA, or is your employer contributing on your behalf (reported on Form 8889 Lines 2 and 9)? If so, consider the following: ■ The maximum HSA contribution in 2022 is $3,650 for a single plan and $7,300 for a family ($1,000 catch-up if age 55 or older). See "Can I Make A Deductible Contribution To My HSA?" flowchart to see how much you can save in the HSA. ■ If you contribute to your HSA through payroll, it will be reflected in lower wages reported on Form 1040, Line 1a, and your W-2, along with your pay stubs.	☐	☐
Did you take a non-qualified distribution from a 529 account? If so, file Form 5329 to calculate the penalty. The penalty is carried over to Schedule 2, Line 8. Reference "Is The Distribution From My 529 Plan Subject To Federal Income Tax?" flowchart.	☐	☐
Are there state-specific issues that should be considered?	☐	☐
Do you own rental real estate? If so, review Schedule E to see what expenses you deducted on the rental property.	☐	☐
Did you make payments on any student loans? If so, check to see if interest has been deducted if eligible (Schedule 1, Line 21).	☐	☐

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