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Dear Valued Client,

Looking forward to year 2021, we would like to assist you with the preparation of data used in preparing your income tax returns for year 2020. 2020 was an extremely challenging year for many and we are proud to have helped as many people and businesses as we did. The IRS continues to make changes to the tax rules as this pandemic continues to affect most Americans. The purpose of this letter is to provide you with tools to help organize the information as well as inform you about tax changes that have taken place over the past year.

Basic Tax Code changes that affect many taxpayers:

1. An Area that the tax rules may affect many of our clients is the treatment of charitable contribution exception. In previous years, taxpayers had to have more than the standard deduction to use those charitable contributions with other itemized deductions. This year, the tax code allows up to $300 deduction for charitable contributions for those who use a standard deduction with proof of donation. In short, if you have contributions, please bring those in this year.
2. Required Minimum Distribution is not required for 2020. The reason for the change is to allow those who would normally be required to take the distribution and increase their income to waive the distribution. Not taking out the distributions allows the money to potentially grow for future needs. Please speak with your financial advisor regarding these changes.
3. The IRS is backlogged due to the shutdown and continued restrictions on their employees. Currently, it is taking the IRS months, previously weeks, to address issues where an amendment is necessary. We have not noticed a big slow down on processing electronically transmitted returns that are complete and accurate. Because of the backlog already in place, we want to take extra time and effort to ensure when we transmit your return that everything is complete and accurate. Please make us aware of any concerns before we complete the return.
4. Tax Return Processing: We have made a number of contingencies for different levels of virus exposure and local restrictions that may be put into place. One of our top priorities is the health and wellbeing of our staff and clients. We plan to post all changes to normal operations on our website. We will call those clients that have a conflict with the changing of the rules and regulations regarding the virus. Currently, we plan to do in-person returns, but we expect the number of drop-off returns to increase. Drop-off process works very well for those who do not have major changes to their previous year's return.

For our sake, and the sake of others, if you or anyone in your household has tested positive or feel ill please let us know so we can take extra measures with your tax documents or reschedule the appointment.

5. Common Question: Is the stimulus money taxable? No.

   The only thing we need to know is if you didn't receive the first stimulus money that came in the spring or you feel it was not the right amount.

This year we are providing two tools to assist you in preparing your tax information. We realize how stressful this one-time event can be and we hope these tools will ease your burden. First, we have a "Quick Reference List" located on the back of this letter. The Quick Reference List is a list of must have items that are common to many of our tax clients. Please take a moment to review and gather the items from the Quick Reference List to ensure a smooth and accurate tax preparation. Second, we have simplified our detailed client organizer for this year and placed it on our website for your convenience. Both forms can be printed from our website at www.williamfbodiecpa.com under the "Tax Preparation" tab or can be mailed to you upon request. Please complete the heading information on the first page concerning name, social security number, address, and dates of birth. We understand that many clients have the same information as last year and our system pulls that information forward to this year. However, if it was not updated last year, then our contact information could be incorrect. Also, be sure to enter dependent information if applicable. If you have more items of income or deductions than there is room for on the organizer, please attach a separate page and reference it on the organizer. Each client is required to sign a preparation agreement form before we transmit the return. This form can also be reviewed on our website www.williamfbodiecpa.com under the "Tax Preparation" tab. Thank you for your assistance.

Please be aware that all returns are to be paid in full, or payment arrangements made, at time of service and/or before electronic transmission to federal and state authorities. If you are not able to pay in full, please let us know either when you make your appointment or before your return is prepared. We offer four methods of payment - Cash, Check, Debit, or Credit Card.

We look forward to seeing you again this year. Please call to schedule your appointment as soon as possible.

Yours very truly,

Lee Parker CPA

William F. Bodie, CPA, PA

2020 TAX YEAR

QUICK REFERENCE LIST

- PERSONAL INFORMATION
    - DRIVER'S LICENSE OR STATE ISSUED ID FOR ALL INDIVIDUALS ON TAX RETURN
    - SOCIAL SECURITY CARD FOR ALL INDIVIDUALS ON TAX RETURN
    - BANK ACCOUNT NUMBER OR VOIDED CHECK
    - PROOF OF HEALTH INSURANCE FOR EACH FAMILY MEMBER
    - PROOF OF RESIDENCY FOR DEPENDENT CHILDREN
        - EXAMPLES INCLUDE SCHOOL RECORDS AND/OR MEDICAL RECORDS
- INCOME
    - W-2s
    - FORM 1099s – INTEREST INCOME / DIVIDEND INCOME
    - SELF EMPLOYED INCOME/EXPENSES
    - SALE OF STOCKS
    - RENTAL INCOME/EXPENSES
    - RETIREMENT INCOME
    - SOCIAL SECURITY BENEFITS
- ADJUSTMENTS TO INCOME
    - 2020 IRA CONTRIBUTIONS
    - STUDENT LOAN INTEREST
    - ALIMONY PAID
- DEDUCTIONS
    - STANDARD DEDUCTION

      OR
    - ITEMIZED DEDUCTIONS
    - MEDICAL EXPENSES
    - TAXES PAID
    - HOME MORTGAGE INTEREST PAID
    - CHARITABLE CONTRIBUTIONS
    - MISCELLANEOUS DEDUCTIONS
- TAX CREDITS
    - TUITION PAID FOR EDUCATION
    - DEPENDENT DAYCARE EXPENSES
    - ENERGY CREDIT
- ESTIMATES
    - FEDERAL ESTIMATED TAX PAID
    - STATE ESTIMATED TAX PAID
- STIMULUS
    - AMOUNT OF STIMULUS MONEY RECEIVED

Please see our Website for detailed Income Tax Organizer (under Tax Preparation tab).
www.williamfbodiecpa.com