

January 10, 2013

Dear Client:

It is time for another tax season and we look forward to assisting you with your tax preparation. We hope that you have been able to survive the ups and downs of this past year.

We have expanded our **tax organizer** to help you in assembling your tax information. Use it as a guide, but please **bring the original documents** with you to your appointment, just as you have in the past. Please call if you have any questions.

Call our office (480-898-7640) and **schedule your tax appointment early.**

Visit our website (foxpeterson.com) for **tax tips and helps** in preparing your taxes, **tracking your refund** or learning about some tax topics.

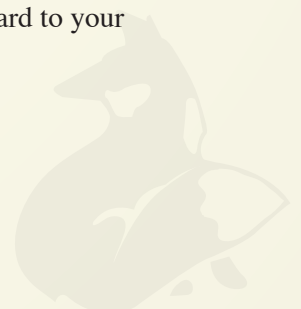
This year's news: Most of you will not see any substantial changes to your returns. Most all of the deductions of the past few years have been reinstated or extended for 2012.

Congress passed the "Fiscal Cliff" tax bill. This extended most of the Bush era tax cuts for taxpayers with income under \$400,000. Earlier in the year, the Supreme Court ratified the Obama Healthcare Bill. There were many new taxes for those who have income above the \$200-250,000 level. **The tax consequences are substantial for 2013.** This makes personal and business tax planning even more important than ever.

The IRS has vastly expanded its audit programs as it has been directed by Congress to "close" the tax gap. As a result, more audits and spot checks are to be expected. Protect yourself: **keep good records**, and keep them for at least 6 years. Never ignore correspondence from tax authorities, but always be skeptical. The IRS has an annoying tendency to arbitrarily bill for taxes and penalties without first checking the facts.

We cannot guarantee that we can schedule tax appointments after April 10th, so please **don't wait until the last minute.** We will also be charging a small fee of \$25 for filing extensions. If we do not have the necessary paperwork to complete the tax return by September 15th, there will be an additional charge of \$100 in addition to the normal tax preparation fees. We cannot guarantee that any tax returns on extension that are received after October 1st will be able to be completed on time. We look forward to your call for an appointment and serving you again this year.

Clark Fox, EA
Craig W. Peterson, CPA
Jim S. Sweigart, CPA
Tyson Haws



Client Organizer - Welcome - 2012

Your Appointment

[] Your tax appointment is set for: _____ , _____ @ _____
Day Date Time

[] **Please call to schedule your appointment as soon as possible : 480-898-7640**

[] Please mail / fax / email your information to us as soon as possible (*Hint: keep a copy!*)

Indicate a time that we can call to have a phone interview:

Be sure to call at least 24 hours in advance if you are unable to keep your appointment

Preparing for your Tax Appointment

Here is how you can best prepare for your tax appointment:

- Please use the organizer as a guide and **BRING ORIGINAL DOCUMENTS** for any items that may apply to your individual circumstances.
- Get all of your paperwork in one place
- Review this organizer
- Review last years tax return. See what has happened
- Look over your checkbook and credit card statements for deductions
- Complete the organizer as best you can, because there are many tax saving opportunities

The Short List

Documents and items that we need to see from you to complete your tax return

- 1 All W-2 forms
- 2 All 1099 forms, (Banks, Credit Unions, Stock brokerages, Social Security, Misc Income)
- 3 Any correspondence from any tax authority
- 4 Brokerage statements if there were any stocks sold
- 5 Escrow statements (HUD-1) for any real estate purchase, sale or refinance
- 6 All 1098 forms
- 7 Social Security card for any new dependents or clients
- 8 Form 8332 for any non-custodial dependent claimed (new law)

New Clients

1. Provide a copy of the tax return the prior year
2. Bring the Social Security card for each member of your family
3. Fill out the household information section of the organizer

An important note about the IRS

The IRS has vastly expanded its audit programs as it has been directed by Congress to "close the gap". As a result, more audits and spot checks are to be expected. **Protect yourself: Keep good records and keep the record for at least 6 years.** Never ignore correspondence from tax authorities, but always be skeptical. The IRS has an annoying tendency to arbitrarily bill for taxes and penalties without first checking the facts.

Client Organizer - Household - 2012

Personal Information - (note changes only)

<u>Name</u>	<u>Name</u>	<u>Soc. Sec. No.</u>	<u>Date of Birth</u>	<u>Occupation</u>
Taxpayer	_____	_____	_____	_____
Spouse	_____	_____	_____	_____
Address	_____			
Phone numbers	_____	Cell	_____	_____
E-mail address	_____			

Filing Status - choose one

- Single** If you were unmarried or divorced at the end of the year and don't qualify for head of household status
- Married filing Jointly** If your spouse died during the year, you may still file a joint return with that spouse for the year of death
- Married filing Separately** A married couple may elect to file their returns separately. The IRS disallows many deductions under this filing status and when one spouse itemizes, the other must itemize also.
- Head of Household** If you were unmarried and you paid more than half the cost of maintaining a home for you and a qualifying person (relative) who lived with you more than half the year, You may qualify if you paid more than half the cost of keeping up a parent's home, even if the parent did not live with you, but you must be able to claim an exemption for your parent in order to qualify.
- Qualifying Widow(er)** If your spouse died during 2011 or 2012, you have a dependent child living with you and have not remarried

Dependents (Children & Others) - (note changes only)

<u>Name (First, Last)</u>	<u>Relationship</u>	<u>Birthdate</u>	<u>Soc. Sec. No.</u>	<u>Months in home</u>	<u>F/T Student</u>	<u>Income</u>
_____	_____	_____	_____	_____	Y / N	_____
_____	_____	_____	_____	_____	Y / N	_____
_____	_____	_____	_____	_____	Y / N	_____
_____	_____	_____	_____	_____	Y / N	_____

- Are any of the dependents listed above permanently disabled? Y / N
If yes, which dependent? _____
- Are any of the dependents listed above 19 or older during 2012 and not a full-time student for at least 5 months during 2012? Y / N
If yes, which dependent? _____ And what is that individual's gross income for 2012? _____

Guidelines for Dependents - Note: New Law - divorced parents claiming non-custodial dependents MUST have form 8332

To qualify as a dependent, that person must be:

1. Unmarried, or if married, does not file a joint return
2. A US Citizen, resident alien or a resident of Canada or Mexico
3. Either a qualifying child or qualifying relative (see below)

Qualifying Relative

1. Must not be the taxpayer or anyone else's qualifying child
2. Either have lived with the taxpayer all year OR be related
3. Have gross income of less than \$3,650
4. Provide less than half of own support

Qualifying Child

1. Taxpayer's child, stepchild, brother, sister, stepbrother
2. Under age 19 OR a full-time student under 24 or disabled
3. Lived with taxpayer more than half the year
4. Provide less than half their own support
5. Cannot be a claimed qualifying child of another taxpayer

Client Organizer - Questions - 2012

Questions

Review the following questions and **check if YES** (they help to ensure that we don't miss something important)

- IRS - Legal
- Letters received from IRS or state (please bring)
 - Audit or Tax notice received (bring)
 - Prior year's returns need to be amended
 - Legal matters (lawsuit, etc.) during year
- Income
- Change in income or expenses
 - Large casualty / disaster loss
 - Foreign bank account or trust? Signing rights on a foreign account?
 - Received proceeds from an installment sale
 - Inherited assets last year
 - Jury duty (you/spouse)
 - Cashed in any US Savings bonds
 - Any bartering transactions
 - Scholarships
 - Any existing/new K-1 for LLC, S Corp, Estate or Trust
 - Do you have a calculation of "basis" in the entity? Y/N
 - Are you at risk for your investment? Y/N
- Business
- Part time business or side venture
 - Business returns need to be completed
 - Did you start or dispose of a business this past year
 - Do you have a student loan (expires in 2012)
 - Did you receive any Form 1099-K
 - Bankruptcy or insolvency
- Household
- Change in dependents
 - You or spouse in military or Guard
 - You or spouse reach 70 ½ this year or next
 - You or spouse legally blind / disabled
 - Dependent with investment income over \$ 1900
 - Dependent with capital gains
 - Can you be claimed as a dependent by someone else
 - Dependent returns need to be completed
- Residence
- Debt forgiven, short sale or foreclosure
 - Sold or refinanced home
 - Moved your personal residence
- Miscellaneous
- Did you pay employees or household help last year
 - Adoption expenses incurred
 - Gifts of more than \$13,000 to any one person
- Recordkeeping
- Can you substantiate travel/entertainment
 - Can you substantiate charity donations
 - Other matters that we should be aware of:

None of these applied this year

Client Organizer - General - 2012

Credit for Educational Expenses - (degree seeking and non-degree seeking)

Family member	Tuition	Computer	Books & supplies	Scholarships & Grants
---------------	---------	----------	------------------	-----------------------

Child & Other Dependent Care Expenses (for dependents under age 14)

Name of Care Provider	Address	Tax ID	Amount Paid
-----------------------	---------	--------	-------------

****Are you enrolled in your employer's Cafeteria Plan? Usually, it's the best way to handle child care costs.

List of Tax Credits. Check () if any apply and supply details:

- | | |
|--|--|
| <input type="checkbox"/> Installed solar energy system (skylights, water heater, photocell-system) – bring documentation | |
| <input type="checkbox"/> Installed energy efficient improvements. | |
| <input type="checkbox"/> Disabled access credit | <input type="checkbox"/> Arizona tuition scholarship credit |
| <input type="checkbox"/> Adoption credit | <input type="checkbox"/> Arizona school ECA (Extra Curricular Activity) credit |

Health Savings Account (HSA & MSA)

Contributions to HSA Savings Account _____	Health insurance premiums paid _____
Amount disbursed from HSA:	
Qualified medical expenses _____	Other:(non-qualified) _____

IRA, SEP, SIMPLE, Keogh Plans and Other Retirement Plans deduction

	You	Spouse
Covered by a retirement plan?	Yes / No	Yes / No
Contribution for:		
IRA - deductible	_____	_____
IRA - non-deductible	_____	_____
Roth IRA	_____	_____
SEP/SIMPLE/Keogh	_____	_____

Did you have a Roth rollover this year? _____

Miscellaneous

Educators classroom supplies purchased (up to \$250) _____

Student Loan Interest paid (attach documentation) _____

Foreign Income and Investments

Do you have foreign source income (attach documentation)	Yes / No	
Do you have foreign bank accounts (attach documentation)	Yes / No	Form TDF 90-22.1
Do you have foreign source assets (attach documentation)	Yes / No	

Estimated Tax Paid

	Date Paid	Federal amount	State amount
1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____
4	_____	_____	_____

Client Organizer - Income - 2012

Wage, Salary Income

Attach W-2s and last paycheck stub:

Employer	Taxpayer	Spouse
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Interest Income

Attach 1099-INT & broker statements

Payer	Amount
_____	_____
_____	_____
_____	_____
_____	_____
Tax Exempt	_____
_____	_____

Dividend Income

From Mutual Funds & Stocks *Attach 1099-DIV*

Payer	Amount
_____	_____
_____	_____
_____	_____

Gambling & Lottery Income

Attach W-2G

Winnings	Amount
_____	_____
_____	_____
Losses (<i>be sure to have support for losses</i>)	Amount
_____	_____

Partnership, Trust, Estate Income

List partnership, LLC, S-corp, trust or estate

Attach K-1 (Do you have a BASIS calculation?)

_____	_____
_____	_____
_____	_____

Investments Sold

Stocks, Bonds, Mutual Funds, Gold, Silver, Partnership interest. *Attach 1099-B & confirmation slips.*

Investment	Dates Acquired	Dates Sold	Sale Price	Cost
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Other Income

Attach 1099

List All Other Income (Including Non-taxable). Such as Cash income you not receive a 1099;
 Alimony Received; Unemployment Compensation (repaid); Unreported tips; Commissions; State tax refunds; Jury Duty
 Worker's Compensation; Scholarship (grant); Payment from prior Installment sale; Disability income

Property Sold

Attach 1099s and closing statements for sale & purchase

Property	Date Acquired	Cost & Imp.
Personal Residence	_____	_____
Vacation Home	_____	_____
Land	_____	_____
Other	_____	_____

*Provide information on improvements, prior sales of home, cost of a new residence. Also see Moving Section.

I.R.A. (Taxable and Non-taxable)

Attach 1099-R & 5498

Contributions for tax year income and Rollovers		
	Amount	Date
Taxpayer	_____	_____
Spouse	_____	_____
Amounts withdrawn.		
Plan	Reason for Withdrawal	Reinvested?
Trustee	_____	Yes / No
_____	_____	Yes / No
_____	_____	Yes / No

Pension, Annuity Income

Attach 1099-R

Payer	Reason for Payment	Reinvested?
_____	_____	Yes / No
_____	_____	Yes / No
_____	_____	Yes / No
_____	_____	Yes / No

*Provide statements from employer or insurance company with information on cost of or contributions to plan.

Social Security Benefits

Attach SSA 1099, RRB 1099

	Taxpayer	Spouse
_____	_____	_____
_____	_____	_____
_____	_____	_____

Client Organizer - Expenses - 2012

Medical/Dental Expenses

Medical Insurance (paid by you) _____
 Prescription Drugs, Insulin _____
 Doctor/Dental/Orthodontist (Braces) _____
 Hospital _____
 Lab & X-rays _____
 Nursing Care _____
 Glasses, Contacts _____
 Medical Therapy _____
 Medical Equipment, Supplies _____
 Hearing Aids, Batteries _____
 Mileage (No. of Miles) _____

Taxes Paid - attach receipts

Auto/Boat registration (license renewal) _____
 Home Property Tax _____
 State Taxes paid _____
 Sales taxes pd on large purchases (car, RV) _____

Interest Expense

Attach 1098 and Closing papers _____
 Mortgage interest paid _____
 Second Home _____
 Qualified Mortgage insurance premiums _____
 Interest paid to individual for your home _____
 Points paid on new or refinance mortgage _____
 Paid to: Name, address, Soc Sec # _____

Investment Interest

Vacant Land _____
 Brokerage margin account _____

Employment-Related Expenses that you paid (Not self-employed) Attach receipts

Must be greater than 2% of adjusted gross income or do not complete

Business Mileage

Do you have written records? Yes / No _____
 Did you sell or trade in a car used for business? Yes / No _____
 If yes, attach copy of purchase agreement _____
 Make/Year Vehicle _____
 Date Purchased _____
 Total miles (personal & business) _____
 Business miles (not to and from work) _____
 From first to second job _____
 Education (One way work to school) _____
 Round Trip commuting distance _____
 Repairs, wash, insurance _____
 Gas, Oil, Batteries, Tires, etc. _____
 Interest, lease payments _____

Other Deductible Items

Safe Deposit Box Fees _____
 Tax preparation fees _____
Job Search Costs _____

Charitable Contributions

Cash - must attach receipts _____
 Church _____
 United Way _____
 Scouts, Telethons _____
 University, Public TV/Radio _____
 Heart, Lung, Cancer, etc. _____
 Arizona Tax Credits (school or needy) _____
Non-cash - must attach receipts _____
 Salvation Army, Goodwill _____
 (Itemize items donated in detail) _____
 Volunteer (No. of miles) _____

Job-Related Moving Expenses

Date of move *Attach receipts* _____
 Move Household Goods _____
 Travel to New Home (No. of Miles) _____
 Lodging During Move _____

Casualty/Theft Loss

For property damaged by storm, water, fire, accident or stolen
Attach Police report
 Location of Property _____
 Description of Property _____
 Amount of Damage _____
 Insurance Reimbursement _____
 Repair Costs _____
 Federal Grants Received _____

Other Business Expenses

Dues- Union, Professional _____
 Books, Subscriptions, Supplies _____
 Licenses _____
 Tools, Equipment, Safety Equipment _____
 Uniforms (include cleaning) _____
 Sales Expense, Gifts _____
 Seminars, Tuition, Books (work related) _____
 Entertainment _____

Office in home:

In Square Feet a) Total Home _____
 Rent, insurance, utilities b) Office _____
 Maintenance, other _____

Business Travel

If you are not reimbursed for exact amount, give total expenses
 Airfare, Lodging, Car, Taxi, Other _____
 Meals (No. of Days) _____
 Reimbursement Received _____