

# Accountable Consulting LLC

## Tax Organizer

**Hani Mahmoud, CPA**

**Owner of Accountable Consulting LLC**

Address: 3440 Blue Springs Rd #503, Kennesaw, GA 30144

Office Line: 678-712-2112

Office Fax: 678-403-2556

Email: [hani@accountableconsulting.org](mailto:hani@accountableconsulting.org)

Website: [www.accountableconsulting.org](http://www.accountableconsulting.org)

# OVERVIEW OF ITEMIZING

- **Do I Qualify?**
- **Standard Deductions - 2016**
  - Single - \$6,300
  - Married Filing Jointly - \$12,600
  - Married Filing Separately - \$6,300
  - Head of the Household - \$9,300
  - Qualifying Widower - \$12,600
- **Must exceed standard deductions to qualify**



# SCH A – ITEMIZED DEDUCTIONS

- Medical and Dental Expenses
- Taxes You Paid
- Interest You Paid
- Gifts To Charity
- Casualty and Theft Losses
- Job Expenses and Certain Miscellaneous Deductions
- Other Miscellaneous Deductions
- **Consider these “buckets”! Collectively the “buckets” have to exceed the standard deduction to itemize**
  - Subject to phase outs after a certain income levels



# MEDICAL AND DENTAL EXPENSES

- Medical Expenses Incurred
- Must exceed 10% of your Adjusted Gross Income
- Include but not limited too:
  - Medical Insurance Premiums (not covered through payroll tax)
  - Doctor & Dentist Visits
  - Acupuncture & Chiropractic Care
  - Hospital Visits
  - Prescription Drugs
  - Nursing Care
  - Eye Exam, Eye Glasses, Contact Lenses, or Contact Solution
  - Hearing Aids & Batteries
  - Ambulances & Paramedics
  - Mileage to Medical Visits (to and from medical treatment)
    - Parking for visit
  - Taxi, Shuttle, Air Fare, Etc (to reach medical treatment)
  - Lodging (for medical treatment)
  - Therapy & Special Schooling
  - Supplies & Equipment
  - Handicapped Placard
  - Crutches, Wheelchairs, Oxygen Equipment

# TAXES YOU PAID

- **W2 State Withholdings**
- **State tax estimates you paid (if any)**
- **Real Estate Taxes**
  - Primary Residence
    - Bought a home during tax year – Provide HUD-1
  - 2<sup>nd</sup> Home
  - Investment Property (Land, Home, Etc)
- **Ad Valorem Paid**
  - Vehicles
  - Boats
  - Trailers

# INTEREST YOU PAID

- **Primary Residence Mortgage**
  - Form 1098
- **Points Paid on Mortgage at closing**
  - Form 1098 or provide HUD-1 from closing
- **Home Equity Line of Credit Interest**
  - Special Rules apply
- **Mortgage Interest Premiums**
  - Form 1098
- **Investment Interest**
  - Trading on margin account?
  - Provide stock brokerage statement

# GIFTS TO CHARITY

- **Cash Contributions**

- Name of Place
- Amount of Contribution

- **Service Contributions**

- Miles Driven to and from charitable event
  - \$.14/mile
- Parking, tolls, and local transportation to and from charitable event
- Convention Cost
- Uniform Cost
- Travel Expenses

- **Expenses Paid while Student is Living with you**

- Can not be your relative or dependent

- **Non Cash Contributions**

- Over \$500 in value?
- Need the following:

1. Name
2. Address
3. Description of items donated
4. Condition when donated
5. Date acquired by donor
6. How were the items acquired by the donor?
7. Purchase price of the item at that time
8. Date of contribution
9. Fair Market Value of item at the time of donation

# CASUALTY AND THEFT LOSSES

- Losses not reimbursed by insurance or other means
  - FMV of Asset is \$5,000, insurance only reimbursed \$1,000
  - \$4,000 Loss
- Must be more than 10% of Adjusted Gross Income
- **Examples**
  - Car accidents
  - Fires
  - Floods
  - Vandalism
  - Theft

# JOB EXPENSES AND CERTAIN MISCELLANEOUS DEDUCTIONS

- **WHERE THE MAGIC HAPPENS IF ANYTHING!**
- Have to exceed a 2.5% floor of your AGI (Adjusted Gross Income)
- Make sure this is a requirement of your job.
  - Could face challenges if you were to get audited
- **Advertising**
  - Business Cards
- **Cell Phone**
  - Write off the % you use the phone for business
  - Cell Phone Screen Repair
  - Car Charger
  - USB Cables
- **Client Fees**
- **Continuing Education**
- **Equipment Rentals**
-  **Equipment Purchased**
  - Type of Equipment, Purchase Price, & Date Purchased
- **Gifts**
  - \$25 limit/per client
- **Insurance**
  - Malpractice
  - E&O
  - General Liability
  - Workers Comp

# JOB EXPENSES AND CERTAIN MISCELLANEOUS DEDUCTIONS – CONTIUNED

- **Job Search Cost**
  - Resume Preparation Fees
  - Linked In fees
- **Licenses, Fees, & Credentials**
- **Medical examinations required by an employer.**
- **Office Expenses**
- **Postage/Delivery Charge**
- **Printing Expenses**
- **Publications & journals**
- **Research**
- **Software Expenses**
  - Adobe Photo Shop, Etc
- **Supplies**
- **Travel**
  - Airfare
  - Car Rental
  - Dry Cleaning
  - Excess Baggage
  - Ground Trans, Taxi
  - Hotels
    - Incidental Expenses
    - Bellman Tips
  - Meals & Entertainment
    - Flight Attendants
  - Passport Fee's
- **Uniform & Protective Clothing**
  - Job specific & cannot be considered street wear
- **Union & Professional Dues**



# JOB EXPENSES AND CERTAIN MISCELLANEOUS DEDUCTIONS – MILEAGE

- **Community Miles**
  - From home to work and back
    - Non-Deductible ☹️
- **Business Miles**
  - Business stop to work
  - 1<sup>st</sup> Job to 2<sup>nd</sup> Job
  - Temporary Job Sites
    - Deductible 😊
  - **Mile IQ App – Good Purchase**
- **Year Make, Model or Vehicle**



# JOB EXPENSES AND CERTAIN MISCELLANEOUS DEDUCTIONS – MILEAGE CONTINUED

## Actual vs Standard Mileage

- **Actual Expenses**

- Total business miles driven
- Total miles driven on car
  - Gas, Oil, Repairs (Tires, Batteries, Etc)
  - Insurance
  - Registration Fees
  - Car Washes



- **Standard Mileage – Usually best option!**

- Total business miles driven
- Total miles driven on car
  - \$.54/Mile
  - Parking Fees & Tolls

- **Year Make, Model or Vehicle**

- Must account for reimbursements employer gives you for mileage or gas

# JOB EXPENSES AND CERTAIN MISCELLANEOUS DEDUCTIONS – HOME OFFICE

- **NEEDS TO BE FOR THE EMPLOYERS CONVENIENCE THAT YOU WORK FROM HOME**
- **Address of Home**
- **Daycare Facility?**
- **Area of Home Office**
  - Area of Home being used for work or work storage
- **Area of Total Home**
- **Expenses related directly to “office” or directly to “overall home”**
- **Home Owners Insurance**
- **Renter’s Insurance**
- **Rent Paid**
- **Repairs & Maintenance**
  - Painting Office Space
- **Utilities Paid**
  - Cable/Internet
  - Electricity
- **Gas**
- **HOA Dues**
- **Pest Control**
- **Security System**
- **Telephone**
- **Trash**
- **Water**
- **Smaller of Cost of Home or Fair Market Value**
  - Date Purchased
  - Estimated cost of land home sits on

# OTHER MISCELLANEOUS DEDUCTIONS

- Tax Prep & Tax Consulting Fees
  - PAY ME MORE! 😊
- Credit/Debit Card Fees to Make Tax Payments
- Investment Advisory Fees 
- Safe Deposit Box Fees
- Gambling Losses

# THANK YOU FOR WATCHING!

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