

Feltz Associates LLC

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Dear Friends,

February 3, 2022

I hope you and your loved ones are safe and healthy. **PLEASE, PLEASE READ** this important letter. So many of you do NOT READ my letter, and it causes extra time and frustration for me, and in some instances, extra work for you WHEN submitting your information.

IMPORTANT TO NOTE:

- Full Systemizer – I will not be mailing nor emailing the systemizer. Instead, you may download it from our new website **nancyfeltz.com**, or you may request a mailed or emailed copy. The Website will have other valuable information as well. The colors for 2021 are **ORANGE** shades.
- **SIGN AND COMPLETE** the following **required** pages when you mail or drop off your information:
 - **Engagement Letter**
 - **Questionnaire** – There will be Many more questions this year; so pour yourself a nice Cup of Tea, or a Glass of Wine before you start. The Questions **MUST** be answered and you **MUST** sign the page.
 - **PAGE B1** -READ BEFORE YOU SIGN, Print your Name. If banking info is the same as it was in 2020, write “**SAME**”. Otherwise, complete that section with the new information.
 - **PAGE B3** – Provide all info
 - **PAGE B4** - Dependent Section & Student Loan Interest & Education Credit info, **if applicable**
 - **PAGES B7-B11** – **OPTIONAL** – Special Note for 2021 Charitable Contributions – (Page A5 Top of Column 2): **Non-Itemizers** may Deduct \$300 if Single and \$600 MFJ from Taxable Income (B11), if applicable, & Medical Expenses, if you can use them on the NJ Return to reduce tax (B10)
 - **OTHER PAGES** – Only if needed. **OR you can use your own worksheets.**
- **STIMULUS PAYMENTS** –It is **EXTREMELY** important that you provide me with the **Letters 1444** that the IRS mailed you in 2022 regarding these payments which you received in March or April, 2021. Failure to provide the Letter(s) will **DELAY** the filing of your returns.
- **ADVANCED CHILD TAX CREDITS** – It is **EXTREMELY** important that you provide me with the **Letter 6419** that the IRS mailed to you in 2022 regarding these payments which Eligible Taxpayers may have received the second half of 202. Failure to provide the Letter(s) will **DELAY** the filing of your returns.
- **PLEASE DO NOT send me your prescription receipts;** unless you are not able to add them up. A total is all I will require; unless I ask for further information. **Your Pharmacy** may give you a printout of your out-of-pocket Medication Expense for the year if you ask them. You can also give me a total for your Doctors out-of-pocket by **CATEGORY**. Long Term Care Insurance must be segregated due to limitations. You do **NOT** have to send me all of your **BACKUP** paperwork for other expenses either, but you **MUST RETAIN** that backup paperwork with your copies of the returns, in case they are required in an audit.

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Dear Friends

- **DISASTER LOSSES DUE TO HURRICANE IDA** – Provide information
- **VIRTUAL CURRENCY** – Check “NO” if the only transactions during 2021 were:
 - purchases with real currency
 - Those you hold in a wallet or transfer from one wallet or account you own or control to another wallet or account you own or control
 - The VC is Non-Convertible, such as part of a game and does not leave the game
 - **All others who deal in Virtual Currency should check “Yes”**
- **MORTGAGE INTEREST EXPENSE TRACING** – Home Mortgage Interest is subject to a number of limits. See Page B11:
 - Limit for loan proceeds NOT used to buy, build, or substantially improve your home
 - Limit on loans taken out on or before December 15, 2017 (up to \$1,000,000 of debt)
 - Limit on loans taken out after December 15, 2017 (up to \$750,000 of debt)
 - Limit when loans exceed the Fair Market Value
- **IRA CONTRIBUTIONS**
 - There is no longer an age threshold for making Contributions to your Individual Retirement Accounts (IRA). You will still have to have Earned Income in order to make the contribution.
 - RMD age increased to 72
- **STATE NEWS:**
 - Be on the lookout for the **Homestead Benefit Applications**. **DO NOT DISCARD**. The Date on the Application will be for Tax Year **2018**. These payments are normally paid directly to the Municipality on your behalf.
 - Those who do not Itemize Deductions (**NON-ITEMIZERS**) on their Federal return **may still be able to use Miscellaneous Expenses, Taxes, and/or Medical Expenses** on certain State’s returns. Certain States, e.g., New York, still allows taxpayers to Itemize their Miscellaneous Deductions, even though the Federal Return no longer allows this. Therefore, if your State has an option to Itemize Deductions, rather than using a Standard Deduction, or an Adjusted Itemized Deduction amount, consider completing the Long-Form Systemizer Packet B **or providing the related information in whatever form you are comfortable with**.
- **DEADLINES:**
 - **Systemizer & Info** – **ASAP**, when you have all of your tax documents. Please do not submit piecemeal unless it is time for extension calculations. It is not time effective if I continually go in and out of a return.
 - **TAX RETURN, and EXTENSION DEADLINES** – Thursday, **APRIL 18, 2022**
 - **IRA CONTRIBUTION DEADLINE IS APRIL 15, 2022.**

Amy and I appreciate our long-standing relationship with you, and we sincerely value your trust and friendship. We are trying to get back to normal with a few adjustments that we found helpful during the #### Lockdowns. We look forward to hearing from you soon.

Very truly,



Nancy M. Feltz Paparazzo, EA