GORDEN'S
TAX SERVICE

PO BOX 245, 16 FIRST AVE NE
DEER RIVER, MN 56636
PH: 218-246-8411 **FAX:** 218-246-2933

January 1, 2019

Dear Income Tax Client,

BAH HUMBUG!

This year's tax returns are going to be much more complicated for most taxpayers due to major changes to IRS tax laws and no acceptance of these laws by the State of Minnesota. MN returns will have to be done according to last year's tax laws with some additional adjustments. Because of this, we expect most tax returns to take longer and we will probably have to file more extensions to get all returns done. **THE GOOD NEWS:** Because of the new IRS laws most taxpayers will pay less tax!!

WE CAN NOT STRESS ENOUGH THE IMPORTANCE OF MEETING WITH A TAX PREPARER THIS SEASON DUE TO THE CHANGES IN THE TAX LAWS!!

This year the penalties for not having health insurance remain the same as 2017. Please bring in your **1095-A, 1095-B or 1095-C** when you receive it and **if you receive advance premium tax credits, we must have your 1095-A in order to file your taxes.**

A reminder to those that need W-2's or 1099's done for employees, independent contractors, real estate sales, stumpage, etc, these forms need to be transmitted to the IRS/Social Security/State by January 31st. If we prepare these forms for you, please get this info to us prior to that date to avoid penalties.

The IRS will again be taking extra steps to verify returns claiming the **Earned Income Tax Credit**, C**hild Tax Credit, American Opportunity Tax Credit, and new for this year and Head of Household Filing Status.** This may cause delays in processing returns. Qualifications are very strict and penalties can be substantial. If you expect to qualify for any of these credits for 2017, **please complete the enclosed EIC / CTC, HOH, and AOTC Worksheets.**

As always, we hope your Holidays were filled with joy and blessed by the company of family and friends. We also wish 2019 brings you another year filled with those things you most desire in life.

During tax season office hours are 9AM to 7PM Monday through Wednesday and 9AM to 6PM Thursday through Saturday. Other times may be set by appointment. Please call ahead for appointments and information.

Check us out on Facebook or on the web at **www.gordenstaxservice.com** for updates, tips and information.

Sincerely,

The Team at Gorden's Tax Service

BRING IN ALL W-2'S, 1099'S, ETC. PLEASE BE SURE YOU HAVE AND KEEP PROOF OF ALL DEDUCTIONS AND CLAIM ALL INCOME! IF YOU ARE AUDITED OR RECEIVE A LETTER PLEASE CONTACT US.

GORDEN'S TAX SERVICE

CHECK LIST

(Check all items that apply to you)

- ☐ **DRIVERS LICENSES**
- ☐ **W-2's**
- ☐ **1099-R, SSA-1099, 1099-MISC, 1099-DIV, 1099-INT, 1099-B, 1099-S, 1099-C, 1099-Q, 1099-G**
- ☐ **EARNED INCOME/ CHILD TAX CREDITS (FILLED OUT & SIGNED) (SEE PAGE 9)**
- ☐ **AMERICAN OPPORTUNITY TAX CREDIT (SEE PAGE 10)**
- ☐ **HEAD OF HOUSEHOLD FILING STATUS (SEE PAGE 10)**
- ☐ **1095 – B, 1095 – C, PROOF OF HEALTH INSURANCE**
- ☐ **1095-A – IF YOU RECEIVE ADVANCED PREMIUM TAX CREDITS**
- ☐ **2018 & 2019 PROPERTY TAX STATEMENT**
- ☐ **PROPERTY TAX REFUND RECEIVED IN 2018 $________________**
- ☐ **RESERVATION INCOME: (If you are an enrolled member LIVING & WORKING on reservation)**
- ☐ **CONTRACT FOR DEED PAYMENTS (amortization schedule, name & addresses of seller/buyer, SS#)**
- ☐ **LAND SALES (1099-S)**
- ☐ **TIMBER SALES (1099-S)**
- ☐ **GAMBLING WINNINGS (W2-G)**
- ☐ **CANCELLATION OF DEBT (1099-C)**
- ☐ **SCHOLARSHIPS OR GRANTS (1098-T)**
- ☐ **TIPS**
- ☐ **MILEAGE**

PLEASE ASK IF YOU HAVE ANY QUESTIONS. YOU CAN ALSO GO OVER YOUR INFORMATION WITH ONE OF OUR TAX ACCOUNTANTS IF YOU WOULD LIKE.

IF WE HAVE TO CALL FOR CLARIFICATION LATER IT CAN DELAY THE PREPARATION OF YOUR RETURN

GORDEN'S TAX SERVICE

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TAX RETURN ENGAGEMENT LETTER

Subject: Preparation of Your 2018 Tax Returns

Dear CLIENT:

Thank you for selecting Gorden's Tax Service to assist you with your tax affairs. This letter confirms the terms of our engagement with you and the nature and extent of services we will provide.

We will prepare your 2018 federal and all state income tax returns you request using information you provide to us. We may ask for clarification of some items, but we will not audit or otherwise verify the data you submit. We've enclosed an "Organizer" to help you gather the information required to complete your return. Please use the enclosed organizer and check list. This will help you avoid overlooking important information and contribute to efficient preparation of your returns. That helps keep the cost of our services as low as possible.

It is your responsibility to provide information required to accurately prepare your returns. You should keep all documents, canceled checks and other data that support your reported income and deductions. They may be necessary to prove accuracy and completeness of the returns to a taxing authority. If we believe you are not providing us complete and accurate information, we may ask for verification. You are responsible for the returns, so you should review them carefully before you sign them.

Our work will not include any procedures to discover defalcations or other irregularities. The only accounting or analysis work we will do is that which is necessary for preparation of your income tax returns. Notwithstanding this limitation, by signing below, you authorize us to share your tax affairs with affiliated entities to determine if additional financial services may be to your benefit.

We must use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In order to avoid penalties, we will apply the "more likely than not" reliance standard to resolve such issues. You agree to honor our decisions regarding the need to make protective disclosures in your returns.

Penalties of as much as $100,000 can be imposed on you for failing to disclose participation in "reportable transactions," that is, certain arrangements the IRS has identified as potentially abusive. We will insist that all such transactions be properly disclosed.

The law also imposes penalties when taxpayers understate their tax liability. If you have concerns about such penalties, please call us.

Your returns may be selected for audit by a taxing authority. Any proposed adjustments are subject to appeal. In the event of a tax examination, we can arrange to be available to represent you. Such representation will be a separate engagement for which an engagement letter will be provided to you. Fees and expenses for defending the returns will be invoiced in accordance with terms we agree on for that engagement.

Our fee for preparation of your tax returns will be based on the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days.

We will retain copies of certain records you supply to us along with our work papers for your engagement for a period of five years. After five years, our work papers and engagement files will be destroyed. You should keep the original records in secure storage.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign the enclosed copy of this letter in the space indicated and return to us with all other tax information to complete your return.

We appreciate your confidence in us. Please call if you have questions.

Sincerely,

Gorden's Tax Service

(Both signatures are required when filing a joint return)

Accepted By: Your signature____

Spouse's signature ____

Date: _________________________

***** MUST BE SIGNED PRIOR TO PREPARATION OF RETURN(S) *****

GORDEN'S TAX SERVICE

PLEASE COMPLETE PRIOR TO YOUR OFFICE VISIT

DO YOU HAVE ANY CHANGES FOR 2018? Marital status, dependents, addresses, etc.? ☐ **YES** ☐ **NO**

Taxpayer ________________________ DOB ____________ SS# ____________________

Spouse ________________________ DOB ____________ SS# ____________________

Mailing Address ____________________ City ______________ State ________ Zip Code ________

Taxpayer Telephone: Home ________________ Work ______________ Cell ________________

Spouse Telephone: Home ________________ Work ______________ Cell ________________

Occupation: Self __________________________ Spouse __________________________

Email: Self __________________________ Spouse __________________________

A SOCIAL SECURITY CARD IS REQUIRED FOR ALL NEW DEPENDENTS

Dependent: ____________________ DOB ____________ SS# ____________________

Relationship ____________________ # of Months in the Home _____ K-12 Grade ____

Dependent: ____________________ DOB ____________ SS# ____________________

Relationship ____________________ # of Months in the Home _____ K-12 Grade ____

Dependent: ____________________ DOB ____________ SS# ____________________

Relationship ____________________ # of Months in the Home _____ K-12 Grade ____

Are you a dependent of someone else? ☐ Yes ☐ No

Was there anyone else living in your household during 2018? (PARENT, NIECE, NEPHEW, ETC.)
Please explain or discuss with tax preparer: ____

IF ANYONE IN YOUR FAMILY ATTENDED COLLEGE OR TRADE SCHOOL FILL OUT AOTC WORKSHEET (See Pg 5)

ELECTRONIC FILING OF TAX RETURN:

Mail my refund check to me: ☐ **OR** Direct deposit my refund into my: ☐ Checking ☐ Savings

AMOUNT DUE: I choose to make my payment by: Check ☐ **OR** Auto Withdraw on ____/____/________

BANK: ____________________ **ROUTING #** ____________________ **ACCT#** ____________________

QUARTERLY ESTIMATED TAX PAYMENTS PAID:
(NOT PAYROLL QUARTERLY AMOUNTS)

2018	FEDERAL Amount Paid	FEDERAL Date Paid	STATE Amount Paid	STATE Date Paid
1st quarter payment **(due 4/18/18)**	$ _________	___/___/____	$ __________	___/___/__________
2nd quarter payment **(due 6/15/18**	$ _________	___/___/___	$ __________	___/___/__________
3rd quarter payment **(due 9/17/18)**	$ _________	___/___/____	$___________	___/___/__________
4th quarter payment **(due 1/15/19)**	$ _________	___/___/____	$___________	___/___/__________
Additional Estimated Tax payments	$ _________	___/___/____	$___________	___/___/__________
Payments paid with extension **(Not later than 4/16/19)**	$ __________	___/___/____	$ ___________	___/___/_________

Do you wish to contribute to the election campaign fund? ☐ No ☐ Yes-Which party? ________________

Do you wish to contribute to the Minnesota DNR wildlife fund? ☐ No ☐ Yes (Amount $ ______________

List here any generally non-taxable income. In certain cases these might have to be shown on your return or taken into consideration when figuring certain credits. List the amount and who it came from.

Social Security (Regular or Disability) - bring in your 1099-SSA $____________________________________

Veterans Pension $_________________ AFDC or ADC - bring in your statement $_____________________

Workman's Compensation $_________________ Municipal Bond Interest $_________________________

Insurance Settlements $_________________ Others $_________________ $ ________________________

GORDEN'S TAX SERVICE

DEDUCTIONS & CREDITS YOU CAN CLAIM WITHOUT ITEMIZING

SCHOOL EXPENSES:

For dependents K-12; Expenses must be required by the school. Enter the grade and the cost for each student's required class supplies, tuition, tutoring, summer classes, drivers education, etc. School clothes do NOT qualify.

You must have proof!

Students Name ______________________________ Grade________ Public/Private/ Home School

Instructors Name__________________ Organization__________________ Total Cost $_________

CHILD CARE: Must be paid to enable wife and/or husband to work. Must have the name, address, and social security number of all providers

Providers Name ________________________ Address ________________________________

Social Security Number ___________ Amount paid ____________________________________

STUDENT LOANS: (Bring in 1098-E)

TAXPAYER: Total Student Loans $__________________ Total Payments (2018) $ _____________

SPOUSE: Total Student Loans $ ____________________ Total Payments (2018) $ _____________

ALIMONY: Amount $________ Rec'd / Paid **Rec. Name** (if paid)__________SS#____________

IRA CONTRIBUTIONS: 2018 CONTRIBUTIONS OR CONTRIBUTIONS MADE IN 2019 FOR 2018. (NOT EMPLOYER RETIRMENT PLAN CONTRIBUTIONS)

Taxpayer: Traditional $ ______________________ Roth $ ____________________________

Spouse: Traditional $ ______________________ Roth **$** ____________________________

529 PLAN CONTRIBUTIONS:

Trustee _______________________________ Acct #___________________ $_____________

LONG TERM CARE INSURANCE:

Taxpayer: Company______________________ Policy #______________ Amount $ __________

Spouse: Company ______________________ Policy# ______________ Amount $ __________

HSA CONTRIBUTIONS: (Out of pocket – not contributions made through employer) $______________

PERSONAL ITEMIZED DEDUCTIONS:

MEDICAL: Total must to be greater than 7.5% of your adjusted gross income to qualify.

Doctor/ Hospital/ Clinic $______________, Dentists $_____________, Glasses $______________,

Hearing aids $____________, Rx $_____________, Other $____________________________,

Medical Miles ___________, Health Insurance Premiums (NOT including Medicare) $___________,

PROPERTY TAX PAID $______________ PROPERTY TAX REFUND **RECEIVED** $_______________

MAJOR PURCHASES (Vehicle/ boat/ ATV, ________________.) **Sales Tax PD.** on purchase $_________

VEHICLE LICENSE RENEWAL - List **individually** the vehicle & amount paid for renewal:
Vehicles_________/_______________/______________$______________$_____________$_____________

MORTGAGE INTEREST: (ONLY for purchases or improvements to home.)
Did you purchase, sell or refinance your home in 2017? If YES, Bring in your closing statement(s)

Home Mortgage Interest – (provide 1098) Lender_________________________$ _____________________

Home equity loan interest? Lender______________________________ $ ___________________________

If seller financed or Contract for Deed? Seller Name________________________ SS#________________

Address _____________________City__________________ State/Zip____________ **$**___________________

Vacation home loan? Lender____ $_______________________

CHARITABLE CONTRIBUTIONS: ALL DONATIONS OVER $250 MUST HAVE A RECEIPT.

Charitable organizations ____Total $ ____________

DONATIONS OTHER THAN CASH: (If non-cash donations total $500.00 or more, you must provide a statement with your return to claim it.)

Date ___________________ Organization Name____

Address_________________________________City____________________State/Zip_____________Total Value $____ Charitable Mileage ________________ miles

CASUALTY OR THEFT LOSSES: Only available in federally declared disaster areas
OTHER DEDUCTIONS: Unreimbursed Employee Expenses **MN ONLY**

Uniforms and safety work clothes $ __________________ (must be required by the job or special safety clothes),

Union and/or professional dues $_______________Laundry $ ____________ Tools/ supplies $____________

Tax consultant $___________Financial consultant fees $ __________________ Tuition $________________

Books and class supplies $ _______________Room and Board $ ___________Conventions $ _____________

Reference materials for work $ ____

WORK TRAVEL EXPENSES: (**NOT COMMUTING**) Expenses must be either on the road expenses, away from home or expenses incurred at a temporary job location. You must have a logbook and rent receipts to claim these deductions. (**This must be your personal vehicle, NOT A COMPANY VEHICLE.) MN ONLY**

TOTAL Vehicle Mileage _________________________ TOTAL Work Mileage ________________________

Per Diem/Sub Pay Received $____

TOTAL # of nights away from home _____________________Room Cost $____________________________

Entertainment expenses $____

GAMBLING: Losses (If you had taxable winnings in 2018). Explain _______________________________

ADOPTION: Please list expenses paid through 2018____

GORDEN'S TAX SERVICE

EARNED INCOME CREDIT & CHILD TAX CREDIT WORKSHEET

Please fill in and bring with you if you have qualifying children under age 17 or if you have qualified for the EIC in the past, or expect to for 2018. This is to satisfy IRS rules on due diligence when taking these credits.

FIRST CHILD

Legal name ________________________ DOB__________ Relationship ____________________

Explain if not your own child ____

Dates lived with you in 2018 ____

If child is 19 years old or older, is (he) (she) a student or disabled? ______________________

Do you have a social security card for the child? _____________________________________

Can anyone else possibly claim the credit for this child? ______________________________

If so, please explain situation____

SECOND CHILD

Legal name ________________________ DOB__________ Relationship ____________________

Explain if not your own child ____

Dates lived with you in 2018 ____

If child is 19 years old or older, is (he) (she) a student or disabled? ______________________

Do you have a social security card for the child? _____________________________________

Can anyone else possibly claim the credit for this child? ______________________________

If so, please explain situation____

THIRD CHILD

Legal name ________________________ DOB__________ Relationship ____________________

Explain if not your own child ____

Dates lived with you in 2018 ____

If child is 19 years old or older, is (he) (she) a student or disabled? ______________________

Do you have a social security card for the child? _____________________________________

Can anyone else possibly claim the credit for this child? ______________________________

If so, please explain situation____

Please use an additional sheet if you are claiming the Child Tax Credit for additional dependents.

Do you have proof of the status and your rights for these children by way of birth records, social security cards, school records, medical records, adoption or guardian records, or social service documents?

List item____

If the child is disabled, do you have proof of this? ____________________________________

Signature: ______________________________________ **Date** _____________________

AMERICAN OPPORTUNITY TAX CREDIT
(College Credit)

Bring in the 1098-T from the institution. List all expenses such as:

Tuition $ ____________________
Books $ ____________________
Computers $ ____________________
Class Supplies $ ____________________
Other $ ____________________

Other Information:

College Attended: ______________________________

If you received a 1099-Q for 2018 please include room and board $ ______________________________

Signature: ______________________________ Date ____________________

HEAD OF HOUSEHOLD FILING STATUS

If single on 12/31/2018:	**YES**	**NO**
Did your dependent live in your home for more than 6 months **AND** longer with you than the other parent?	☐	☐
Did you pay more than 50% of the household expenses for 2018?	☐	☐
Did the other parent live in the household at all in 2018? If YES, what dates?__________________	☐	☐
If still married on 12/31/2018:		
Did spouse move out before 7/1/2018 and not return at all after 6/30/2018?	☐	☐
What dates did he/she move out? ______________________________		
Was dependent living with you at all times after 6/30/18?	☐	☐
Did you pay more than 50% of the household expenses for 2018?	☐	☐

Signature: ______________________________ Date ____________________