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Ima and Ura SMITH

,

2010
Tax Organizer

prepared for:

Ima and Ura SMITH

,

prepared by:

Chris A. Peterman, CPA, P.C.
4833 Spicewood Springs Rd Suite 203
Austin, TX 78759

Please, take a moment to read the attached letter!

Chris A. Peterman, CPA, P.C.
4833 Spicewood Springs Rd Suite 203
Austin, TX 78759

Ima and Ura SMITH

,

Dear Ima and Ura:

Yes, it is that time of year again. Enclosed you will find this year's Tax Organizer.
This organizer is provided to assist you accumulating and preparing information needed to properly prepare your income tax return. The organizer is designed to help identify your special needs, major changes, and new items which may effect your return. Prior year amounts are shown for your reference. Please make notes on the "Additional Information" sheet for any item that may be relevant but that was not covered or for which you have a question.

The tax law changes that came in late 2010 have pushed everything back, from official acceptance dates for filing returns to the preparation of adminstartive mattets such as this tax organizer. Please note changes included in the Questionnare section of this tax organizer.

Use this organizer as a road map for gathering information so that you are less likely to omit important information. Although some clients do fill in some/all of the current year amounts, you **do not** have to "fill it all out", and, to that end, note that the instructions for this year request that you "attach documents".

Either way, **it is very important to review and answer the "Questionnaire"** section of the organizer. The issues noted will help you identify tax matters that need to be addressed currently and prospectively.

Please attach supporting documentation when necessary, including:

- **A copy of your 2009 tax return, if not prepared by this office**
- Form(s) W-2 (wages, etc.)
- Form(s) 1099 (interest, dividends, etc.)
- Schedule(s) K-1 (income/loss from partnerships, S corporations, etc.)
- Form(s) 1098 (mortgage interest) and property tax statements
- Brokerage statements from stock, bond or other investment transactions
- Closing statements pertaining to real estate transactions
- All other supporting documents (schedules, checkbooks, etc.)
- Any tax notices received from the IRS or other taxing authorities

With your **complete information in the office by the end of the third week in March**, every effort will be made to have your return prepared by April 15th. April 15th is also the date of the first estimate payment for the current year. The first few weeks of April are very busy. If you do not have your completed information in the office by the end of the third week of March, your return may not be completed by April 15th.

Extensions will be filed for those returns not completed by April 15th. Remember, an extension is an "extension of time to file" not an "extension of time to pay". In order to avoid failure to pay penalties, the tax law requires full payment of your taxes by April 15th.

Frequently questions are asked about various accounting and finance software products. I have helped many individuals and businesses with the *Quicken*, *Quicken Home and Business*, *Quickbooks*, and *Quickbooks Pro* products from Intuit. If you know someone who would like to review these products or could use some help utilizing these products, please ask them to contact me.

Remember tax and financial planning is a year-round activity. Don't hesitate to call throughout the year when something comes up. Often calls are received where time constraints or financial matters are a critical issue. Unfortunately some of these calls come too late and an opportunity or a deadline was missed. Sometimes an answer may provide significant tax savings or may eliminate confusion regarding a tax issue. Although it may seem expensive to call me at times, there will come a time when it may be more expensive not to call. I'll be fair. If I am able to provide some help then I will charge a reasonable fee. If not, the dime is on me. In addition, setting up accounting systems, buying/selling businesses, consideration of investment alternatives, establishing and reviewing budgets and projections, reviewing investment and financial strategies are matters that I help with frequently. I would be pleased to assist you in any such matters.

With everyone's schedules getting busier every day, I have found that e-mail has become a good way to communicate. My e-mail address is "chris@gidibici.com". Please pass your e-mail address along to me, or, just send me a message.

I appreciate your business and I appreciate your recommendation of my services. I will make every effort to justify your continuing support and confidence.

Thank you for taking time to read this letter. Please contact me if you have any questions or require further information. I look forward to seeing you soon.

Sincerely,

Chris

2010 1040 US Miscellaneous Questions

If any of the following items pertain to you or your spouse for 2010, please check the appropriate box and include all pertinent details. Attach additional schedules if necessary.

ELECTRONIC FILING OF PERSONAL AND TRUST TAX RETURNS

The IRS has mandated that beginning in 2010 for tax preparers who file more than 100 individual and trust income tax returns, those preparers must file all individual and trust tax returns electronically ...... unless the taxpayer independently chooses to file on paper.

In making this choice, you the taxpayer, will sign a document that states I have informed you of my requirement to file your return electronically and that you were not influenced by me to not file electronically.

If you so choose, I have a prepared statement with the appropriate language.

In addition a new Form 8948 must be prepared and filed with your paper tax return for submission to IRS.

As a mandated requirement, there is no extra cost to you.

Yes	No	
		TIMING FOR TAX RETURN PREPARATION
☐	☐	If you need your tax return prepared "quickly" for a loan, educational assistance, or any other purpose, please let us know.
		PERSONAL INFORMATION
☐	☐	Did your address change during the year?
☐	☐	Did your marital status change during the year?
☐	☐	Do you expect a substantial change in income or deductions next year?
☐	☐	Did you or your spouse make any gifts to an individual or trust that total more than $13,000 for the year?

2010 | 1040 | US | Miscellaneous Questions

NEW ENTITIES >>> I need to know about these ASAP <<<

☐ ☐ Did you start a new self-employed business during the year? If so, did you use a portion of your home in connection with that business?

☐ ☐ Did you create any new tax or business entities during the year. This would include any type of partnership such as a Real Estate Partnership or Family Limited Partnerships, any type of trust such as Marital Trusts or Grantor Trusts, or any corporation, sub-chapter S corporation, or limited liability corporation?

> If so, please identify name, type, and EIN of the entity:

name: ____
type: _______________ EIN: _________________

name: ____
type: _______________ EIN: _________________

DEPENDENTS

☐ ☐ Were there any changes in dependents?

☐ ☐ Were any of your unmarried children who might be claimed as dependents 19 years of age or older at the end of 2010?

☐ ☐ Did you have any children under age 14 on January 1, 2011 with interest and dividend income in excess of $900, or total investment income in excess of $1,800?

☐ ☐ Could you be claimed as a dependent on another person's tax return?

INCOME

☐ ☐ Did you receive Social Security Income for the first time this year?

☐ ☐ Did you receive $250 from Medicare to help defray the costs of prescription drugs?

☐ ☐ Did you have any proceeds from prizes or gambling winnings?

☐ ☐ Did you receive any Unemployment Compensation?

☐ ☐ Did you receive any disability income?

☐ ☐ Were any stock options granted to you by your employer?

☐ ☐ Did you exercise any stock options?

☐ ☐ Did you sell any exercised stock options?

2010 1040 US Miscellaneous Questions

☐ ☐ **Alternative Minimum Tax** (AMT) has become an issue for many taxpayers. We try and mitigate the impact of AMT as best we can. Unfortunately a major problem is that this is a "timing issue" tax, and once the end of the year goes by we are limited in what we can do to minimize the impact of AMT. Some of the more common circumstances that can generate an AMT are listed below. If you have -or- will have the following situations occurring then let us know as soon as possible so that we can help you plan accordingly:

- Interest expense on home mortgage in excess of original mortgage,
- As a percentage, a large amount of itemized deductions relative to your adjusted gross income,
- Accelerated depreciation in excess of straightline depreciation,
- Depletion and/or Intangible Drilling Costs,
- Exercise of Incentive Stock Options (ISO),
- As a percentage, a large amount of capital gains relative to your ordinary income
- Qualified Small Business Stock excluded gains,
- As a percentage, large losses from business interests relative to your ordinary income,
- Net Operating Losses.

☐ ☐ Did you receive unreported tip income of $20 or more in any month?

☐ ☐ Did you cash any Series EE U.S. savings bonds issued after 1989 and pay qualified higher education expenses for yourself, your spouse, or your dependents?

☐ ☐ Did you have any foreign income or pay any foreign taxes?

PURCHASES, SALES AND DEBT

☐ ☐ Did you -or- will you enter into an agreement to purchase or sell the assets or the stock of an unrelated business.

☐ ☐ Did you start a business or farm, purchase rental or royalty property, or acquire an interest in a partnership, S corporation, trust, or REMIC?

☐ ☐ Did you purchase or dispose of any business assets (furniture, equipment, vehicles, real estate, etc.), or convert any personal assets to business use?

☐ ☐ Did you buy or sell any stocks, bonds or other investment property? Specify the sale of any collectibles (e.g., artwork, gems, stamps, coins) and any qualified small business stock.

☐ ☐ Did you purchase, sell, or refinance your principal home or second home, or did you take a home equity loan?

☐ ☐ Are you / were you a first-time home buyer for 2009 or for 2010 or have not owned a residence in the last three years? Did you you enter into a binding contract by April 30, 2010, with a closing date prior to October 1, 2010?

2010 | 1040 | US | Miscellaneous Questions

☐ ☐ Did you have any debts cancelled or forgiven?

☐ ☐ Did anyone owe you money which had become uncollectible?

☐ ☐ Did you own any securities that became worthless during the year?

RETIREMENT PLANS

☐ ☐ Did you attain the age of 70 1/2 during the year? If so, have you determined your required minimum distribution?

☐ ☐ Did you receive a distribution from a profit-sharing plan, retirement plan, or individual retirement arrangement (including Traditional IRA, Roth IRA, and Education Savings Account)?

☐ ☐ Did you convert from a Traditional IRA to a Roth IRA?

☐ ☐ Did you contribute to a Traditional IRA, Roth IRA, or Education Savings Account?

☐ ☐ Do you want to, contribute to a Traditional IRA, Roth IRA, or Education Savings Account?

☐ ☐ Did you contribute to a self-employed retirement plan?

☐ ☐ Do you want to contribute to a self-employed retirement plan?

☐ ☐ Did you open up a solo or small business 401(K) plan before December 31st? If so, have you funded the plan?

☐ ☐ Are you interested in opening a solo or small business 401(K) plan for the current year?

EDUCATION

☐ ☐ Did you receive a distribution from an Education Savings Account or a Qualified Tuition Program?

☐ ☐ Did you pay any educational expenses?

☐ ☐ Did you pay any education loan interest?

☐ ☐ Did you "lose money" in a 529 Plan?

ITEMIZED DEDUCTIONS

☐ ☐ Are you making payments on a recreational vehicle or boat that has basic living accommodations?

2010	1040	US	Miscellaneous Questions

☐ ☐ Did you pay your residential property taxes in 2010 but do not think you will be able to itemize your deductions?

☐ ☐ Did you incur a loss because of damaged or stolen property?

☐ ☐ Did you work out of town for part of the year?

☐ ☐ Did you use your car on the job (other than to and from work)?

☐ ☐ Did you have any out-of-pocket expenses associated with your job?

☐ ☐ You can take a deduction for **sales tax you paid**, and you may take the higher of your actual sales tax paid or the amount from the IRS published table.

☐ ☐ Did you donate a vehicle to charity? If so, did the charity sell the vehicle?

MISCELLANEOUS

☐ ☐ Do you want to allocate $3 to the Presidential Election Campaign Fund?

☐ ☐ Does your spouse want to allocate $3 to the Presidential Election Campaign Fund?

☐ ☐ May the IRS discuss this return with the preparer?

☐ ☐ Did you add energy efficient property to your home in 2010?

☐ ☐ Were you or was any of your property located in a federally declared disaster area in 2010?

☐ ☐ Did you have an interest in or signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account?

☐ ☐ Did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?

☐ ☐ Are you a National Guard member or an Armed Forces reservist and traveled more than 100 miles and stay overnight to fulfill your duty?

☐ ☐ Are you, or your spouse, a teacher?

☐ ☐ Was your home rented out or used for business?

☐ ☐ Did you have a Medical Savings Account (MSA)?

☐ ☐ Did you have a Health Savings Account (HSA)?

☐ ☐ Did you incur moving expenses due to a change of employment and relocate to a new residence more than 50 miles away from your original residence?

2010	1040	US	Miscellaneous Questions

☐ ☐ Did you pay for any expenses in connection with seeking a new job?

☐ ☐ Did you pay for any adoption expenses?

☐ ☐ Did you engage the services of any household employees?

☐ ☐ Did you pay child care costs for a dependent child under the age of 13 so you could work?

☐ ☐ Did you purchase a "hybrid" (gas-electric) vehicle?

☐ ☐ Did you, will you, pay for any legal expenses in connection with planning your estate (including wills) or involved with a divorce?

☐ ☐ Were you notified or audited by either the Internal Revenue Service or the State taxing agency?

ESTIMATED TAX PAYMENTS

☐ ☐ Did you make estimated tax payments for 2010?

> Please attach copies of cancelled checks for each payment made for [ORGTAXYEAR

☐ ☐ Do you want assistance with making estimated tax payments for 2011?

ELECTRONIC FILING

☐ ☐ Do you want your refund automatically deposited to your bank account?

> If so, please include a copy of a "VOIDED" check for the account in which you want your refund deposited.

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PAYMENT OPTIONS

  Would you like to use your credit card to pay for services provided? Please be advised that a 3% administrative fee will be applied to the balance for payments made by credit card.

__ VISA __ Mastercard __ American Express __ Discover

Credit Card Number: ___________________________________

Expiration Date: ______ / ______

Name on Card: _______________________________________

Billing Address: _______________________________________

____

Zip Code: _______________________________________

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Telephone number: (512) 322-2000
Fax number: (512) 349-7255
E-mail address: bits@bitsinc.com

Tax Return Appointment

Date:
Time:
Location:

This tax organizer will assist you in gathering information necessary for the preparation of your 2010 tax return. Please enter all pertinent 2010 information. If you have attached a government form for an item, check the box and do not enter a 2010 amount.

CLIENT INFORMATION

	Taxpayer	Spouse
First name and initial.......	Ima	Ura
Last name........................	SMITH	SMITH
Title/suffix.........................		
Social security number....		
Occupation......................		
Date of birth (m/d/y)........		
Date of death (m/d/y)......		
1=blind............................		
Home phone....................		
Work phone.....................		
Work extension................		
Cell phone........................		
E-mail address................		

Address	In care of.....................	
	Street address.............	
	Apartment number......	
	City..............................	
	State........................	
	ZIP code......................	

DEPENDENTS

	Dependent No.	Dependent No.
First name........................		
Last name........................		
Title/suffix.........................		
Date of birth (m/d/y)........		
Social security number....		
Relationship.....................		
Months lived at home......		

WAGES, SALARIES AND TIPS

Employer Name:

	2010 Amount	2009 Amount
	Attach Forms W-2	

INTEREST INCOME

Payer Name:

	2010 Amount	2009 Amount
	Attach Forms 1099-INT	

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Please enter all pertinent 2010 information. If you have attached a government form for an item, check the box and do not enter a 2010 amount.

DIVIDEND INCOME

Payer Name:	2010 Amount	2009 Amount
☐	Attach Forms 1099-DIV	
☐		

PENSION AND IRA INCOME

Payer name:	2010 Amount	2009 Amount
☐	Attach Forms 1099-R	
☐		

GAMBLING WINNINGS

Payer name:	2010 Amount	2009 Amount
☐	Attach Forms W-2G	
☐		
Total gambling losses		
Winnings not reported on Form W-2G		

OTHER GOVERNMENT FORMS - INCOME

	2010 Amount	2009 Amount
☐ Form 1099-B - Sales of stock (also include transaction history)	Attach Forms 1099	
☐ Form 1099-MISC - Miscellaneous income		
☐ Form 1099-S - Sales of real estate (also include closing statements)		
☐ Form 1099-G - State tax refunds	Attach Forms 1099	
Taxpayer:		
☐ Form SSA-1099 - Social security benefits	Attach Forms 1099	
☐ Form 1099-G - Unemployment compensation		
Spouse:		
☐ Form SSA-1099 - Social security benefits	Attach Forms 1099	
☐ Form 1099-G - Unemployment compensation		

MISCELLANEOUS INCOME

	2010 Amount	2009 Amount
Alimony received		
Spouse: Alimony received		
Other:		

RETIREMENT PLAN CONTRIBUTIONS

Taxpayer:	2010 Amount	2009 Amount
Traditional IRA contributions (1=maximum)		
Roth IRA contributions (1=maximum)		
Self-employed SEP, SIMPLE, & qualified plan contributions (1=maximum)		

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Please enter all pertinent 2010 information. If you have attached a government form for an item, check the box and do not enter a 2010 amount.

RETIREMENT PLAN CONTRIBUTIONS (Continued)

Spouse:	2010 Amount	2009 Amount
Traditional IRA contributions (1=maximum)		
Roth IRA contributions (1=maximum)		
Self-employed SEP, SIMPLE, & qualified plan contributions (1=maximum)		

OTHER GOVERNMENT FORMS - DEDUCTIONS

		2010 Amount	2009 Amount
☐	Form 1098-E - Student loan interest	Attach Forms 1098	
☐	Form 1098-T - Tuition and related expenses		

ADJUSTMENTS TO INCOME

	2010 Amount	2009 Amount
Taxpayer:		
Self-employed health insurance premiums		
Educator expenses		
Expenses from rental of personal property		
Other adjustments to income:		
Alimony Paid - Recipient name & SSN		
Spouse:		
Self-employed health insurance premiums		
Educator expenses		
Expenses from rental of personal property		
Other adjustments to income:		
Alimony Paid - Recipient name & SSN		

MEDICAL AND DENTAL EXPENSES

	2010 Amount	2009 Amount
Prescription medicines and drugs		
Doctors, dentists and nurses		
Hospitals and nursing homes		
Insurance premiums		
Taxpayer: Long-term care premiums		
Spouse: Long-term care premiums		
Insurance reimbursements		
Out-of-pocket lodging and transportation expenses		
Number of medical miles		
Other:		

TAXES PAID

	2010 Amount	2009 Amount
State income taxes - 1/10 payment on 2009 state estimate		
State income taxes - paid with 2009 state extension		
State income taxes - paid with 2009 state return		
State income taxes - paid for prior years and/or to other states		

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Please enter all pertinent 2010 information. If you have attached a government form for an item, check the box and do not enter a 2010 amount.

TAXES PAID (Continued)

	2010 Amount	2009 Amount
City/local income taxes - 1/10 payment on 2009 city/local estimate........		
City/local income taxes - paid with 2009 city/local extension..................		
City/local income taxes - paid with 2009 city/local return........................		
State and local sales taxes paid (except autos and special items)..........		
Use taxes paid on 2010 purchases..		
Use taxes paid on 2009 state return..		
☐ Taxes Pd in 2010 on New Motor Vehicles Purchased 02/17/2009 - 12/31/2009	Attach Vehicle/Tax Information	
Sales tax on autos not included above...		
Sales taxes paid on boats, aircraft and other special items.....................		
Real estate taxes - principal residence...		
Real estate taxes - property held for investment......................................		
Foreign income taxes..		
Other:		
☐ Personal property taxes (including automobile fees in some states)........	Attach Tax Notice	

INTEREST PAID

	2010 Amount	2009 Amount
Home mortgage interest and points paid		
☐	Attach Forms 1098	
☐		
Home mortgage interest not on Form 1098 (include name, SSN, & address of payee)		
Points not reported on Form 1098		
Mortgage insurance premiums on post 12/31/06 contracts....................		
Investment interest (interest on margin accounts):		
Passive Interest...		

CASH CONTRIBUTIONS

Note: No deduction is allowed for cash or check contributions unless the donor maintains a bank record, or a written communication from the donee, showing the name of the organization, contributions date(s), and contribution amount(s).

	2010 Amount	2009 Amount
Volunteer Expenses (out-of-pocket)...		
Number of charitable miles...		

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Please enter all pertinent 2010 information. If you have attached a government form for an item, check the box and do not enter a 2010 amount.

NONCASH CONTRIBUTIONS

Note: No deduction is allowed for contributions of clothing and household items that are not in good used condition or better.
In addition, a deduction for any item with minimal monetary value may be denied.

	2010 Amount	2009 Amount

MISCELLANEOUS DEDUCTIONS

	2010 Amount	2009 Amount
Union and professional dues		
Tax return preparation fee		
Safe deposit box rental		
Investment expenses		
Estate tax, section 691(c)		
Unreimbursed employee expenses:		
Other:		