



What's New for '21

By: Pam Trahan

In this issue:

- ◆ Accounting Dept. News — Page 2
- ◆ My Social Security — Page 3
- ◆ Our Website — Page 5
- ◆ This is for YOU! - Page 7
- ◆ Contact Us - Page 9

There is no getting around it; 2020 - to put it lightly - was a bad one. So many lost loved ones, businesses financially decimated, millions unemployed, political divisions, racial tensions, multiple hurricanes, wildfires, lockdowns, mask rules, even murder hornets, all amid a global pandemic; who can dispute that 2020 was awful and stressful?

They say the human spirit can withstand an incredible amount of stress, but I'm not sure how much more we can endure! We want our old lives back, especially the simple things in life like spending holidays with loved ones, going to the movies, or dining out with friends.

While there is a reason to be optimistic that the COVID-19 vaccine will help return us to some level of normalcy, it is unlikely that will happen any time soon. Perhaps we will emerge with a far greater appreciation for a way of life that can easily be taken for granted.

To quote Kenneth Branagh, *"I'll tell you what I'm grateful for, and that's the clarity of understanding that the most important things in life are health, family and friends, and the time to spend on them."* Boy, ain't that the truth!

Speaking of change, you may have heard that my father, Don Chauvin, the omniscient taxman, has retired after 51 years of tax preparation and accounting service. We all knew this day would come; he even told us so. You would think that I would have been mentally prepared, right? Wrong! It was a kick in the gut to watch him say goodbye because I know how passionate he is about his profession and how much he loves and cherishes his clients. Although my heart is weeping, I am thankful that he has allowed me to shadow him for the past 30+ years. There is not much I haven't seen over this expanse of time and his mentorship will serve me well as I continue with our family's tradition. I take comfort in knowing he is right next door or an intercom buzz away should you and I ever need him. Do not be surprised if he pokes his nose in the office every now and then—if only to say hello and get a hug.

As the old expression goes, the show must go on. Here is my promise to you: **I promise that my staff and I will work hard to provide you with the same level of quality and professional service you have come to trust and expect.** We realize that you have a choice, and you have entrusted us with your important tax preparation; we will never take that choice for granted.

As a technology-enabled firm, we are prepared to serve you virtually through our secure online portal and communication tools. We are taking this virus very seriously, as we know each of you are. We care deeply for our employees, clients, and community's well-being, so please reach out if we can assist you in the days and weeks ahead.

If you have additional concerns, questions, or need assistance, please reach out to us via phone or email. We are here and ready to serve you!



Tax Tips



Keeping you informed

January 2021

Accounting Department News

By: Paige Abshire



Marie Curie once said “Nothing in life is to be feared, it is only to be understood. Now is the time to understand more, so that we may fear less.”

As some of you may have heard, I am now head of the Accounting Department here at **FACTS-5**. I am looking forward to growing and building relations with you. I will work hard to earn your trust and confidence.

With that being said there were a ton of other big changes that happened in 2020...COVID-19, the CARES Act, a presidential election, and much more. Every one of these changes brings a lot of uncertainty to business owners.

The biggest change was to the Payroll Protection Program (PPP). PPP was implemented by the Small Business Administration (SBA) with support from the Department of the Treasury to help small businesses with funds to pay up to 24 weeks of payroll costs including benefits and can be 100% fully forgiven but there was a catch. For you to get your loan 100% fully forgiven you had to spend at least 60% of the loan on payroll costs and the remaining could be spent on qualifying business expenses. The qualifying business expenses are as follows: mortgage interest, rent, and utilities (changed June 5, 2020).



The legislation officially makes business expenses paid for using proceeds from a forgiven PPP loan deductible for federal tax purposes (changed December 21, 2020). This helps out a small business as the income from the PPP loan is non-taxable and you may deduct your ordinary and necessary expenses that were paid for with a forgiven or forgivable PPP loan.

If you have yet to file for your PPP forgiveness now is the time to do so. Should you need any guidance or help with your Forgiveness Application or even any accounting related topics my door is always open. I look forward to a new year of working with each and every one of you.

Hidden Tax Pits—Unemployment & Self-Employment

By: Jaimmie Adams



Phew! What a year 2020 was! We all either experienced or knew someone close to us that battled COVID-19, unemployment, business closures, and we can't forget the hurricanes. Oh, the hurricanes! I'm exhausted just thinking about all this again. It all feels like a distant memory. As the saying goes, “Grandfather Time waits for no one”. With that said, that “time of year” is upon us and it's time to start gathering our tax documents.

Unemployment Benefits

In the early stages of COVID-19, Governor Edwards closed non-essential businesses and limited occupancy in others. Taxpayers considered an essential worker were able to keep their job or may have experienced less hours which meant less income while non-essential workers may have lost employment all together. These individuals were able to apply for unemployment benefits. Unemployment income is ALWAYS taxable no matter the circumstances. Depending on what box was checked off when the unemployment application was completed, taxpayers may have chosen to “pay taxes now” (when you receive weekly benefits) or “pay later” later (when income is reported or by making estimated quarterly payments). With either option, chances are taxpayers may notice a difference in refunds or balance due compared to previous years.

(Continued on page 3)

Tax Tips



Keeping you informed

January 2021

(Continued from page 2)

Self-Employment Income

Many people were out of a job or hours were drastically reduced and were looking for ways to supplement income. Mowing yards, running errands, and washing cars were the most common ways that I saw. Do you have to pay taxes on self-employment income? Yes. The rule of thumb is any and all earned income is taxable income; even when a 1099 is not received. Typically, a 1099 is issued when \$600 or more has been earned. Make note that even when a 1099 is not received, it is the taxpayer's responsibility to report any and all income on the tax return. When submitting this information, include the gross income and categorized expenses, such as, supplies, material, auto expense, advertising, etc.

Stimulus Checks

One of the main questions I was asked last year was if the stimulus money was going to be taxed. The answer is no. Uncle Sam issued stimulus checks to boost the economy. Since 2020 tax returns had not been filed, Uncle Sam gave an advance refundable credit to those who qualified based on the 2018 and 2019 tax returns. Stimulus payments will be reconciled when filing for 2020 taxes. This means if a taxpayer did not qualify because total income exceeded the limitations but the total income was less in 2020, then the taxpayer may be able to receive all or portion of the credit when they file this year.



Hurricanes

During a time when everyone seems so divided, the hurricanes rolled in showing us how we, as a community, can band together and help each other. Because of the hurricanes, so many Louisiana residents suffered a casualty loss or property damage. When an area is federally declared a natural disaster, taxpayers may qualify for a tax break to offset losses that aren't covered by insurance when a claim is filed. Affected taxpayers will need to request the casualty loss packet, complete it and upload to our Sharefile portal with other tax documents that are required to complete a tax returns.

Cheers to 2021 and a better year!

What can you do with a *my Social Security* account?

- [Request a replacement Social Security Card](#)

If you are not receiving benefits:

- Get personalized retirement benefit estimates
- Get estimates for spouse's benefits
- Get proof that you do not receive benefits
- Check your application status

If you are receiving benefits:

- Set up or change direct deposit
- Get a Social Security 1099 (SSA-1099) form
- Opt out of mailed notices for those available online.
- Print a benefit verification letter
- Change your address

Tax Tips

Keeping you informed



January 2021

Fighting Covid-19 Together

By: Pam Trahan

In March of last year, when the government issued a Phase 1 stay-at-home order, we were all blindsided. Fear consumed us all; so much that there was a shortage of toilet paper! Our office was forced to close its doors and convert all upcoming appointments to virtual appointments. The pandemic was new and little was known about how it was being transmitted. Still, Paige, Jaimmie, Cynthia, and I came to work every day (knowing, but afraid of the risk) to get YOU, what you needed; and that was **\$MONEY\$!**

We helped so many of you apply for a PPP Loan, EIDL, unemployment, and assisted others with stimulus checks. Because of government deadlines, funds availability, and a limited staff we were forced to prioritize. Jaimmie did the bulk of the tax preparation while Paige and I focused on all other financial and accounting matters. We felt like it was the right thing to do at the time to keep you going through the lockdown.

I recognize that we fell short on the personal one-on-one service you come to expect and deserve. Many of you were given an extension, whether wanted or not. I want to personally apologize to all of you that were affected by this; I assure you that we did the best we could with the circumstances we were handed. We were in a constant whirlwind of ever changing Covid assistance rules, tax law changes, and deadlines. It was quite a bit to keep up with even under normal circumstances - which we did not have. I thank you from the bottom of my heart for your patience and support during that time. I also want to express how grateful

I am to Paige, Jaimmie, and Cynthia for their dedication and hard work through it all. So ladies, thank you, we couldn't have done it without you!

We are still taking this virus very seriously, as we know each of you are. We care deeply for our employees, clients, and the community's well-being. We are still limited in activity due to current Governor protective orders. Therefore, the 2020 tax season is going to look very different this year – but better. Due to the pandemic, we will be conducting all appointments remotely via virtual meetings, email, or through a regular phone call. We are still planning to keep all virtual appointments as they are scheduled. Safety for everyone is one of our top priorities!

To assist you with participating in a virtual meeting we have hired my brother, Todd Chauvin, who will be calling you to assist you in any way he can to make your participation very simple. You're going to like it!



Tax Tips



Keeping you informed

January 2021

Were you a Disaster Victim?

Jim Cantore, sure was able to see all of South Louisiana last year! Six times Louisiana was in the forecast cone this past hurricane season. There's no denying that our neighbors in Lakes Charles suffered immensely. However, having Hurricane Laura and Delta hit back-to-back was just unprecedented and catastrophic. Vermilion Parish was lucky to escape much of the wrath of Hurricane Laura, but wasn't as lucky for Hurricane Delta. Delta's wind and rain caused widespread damage to the entire Acadiana area. Fortunately, when it comes to taxes, there's some relief available for those left with property damage in the wake of a hurricane or similar natural catastrophe.

If you suffered property damage because of either of these Hurricanes, you may be able to recoup a portion of that loss



through several different tax benefits that may be available to you. An important tax break for natural disaster victims is the casualty loss deduction for damage to your

home, car or personal belongings. Generally, the deduction is equal to either the property's adjusted basis or decreased value, whichever amount is smaller, less insurance proceeds.

Unfortunately, however, there are some limitations and offsets that hurricane victims need to know about before trying to claim the deduction. There are some additional special rules that could save you some money.

Talk to your preparer so that we can help you maximize your tax benefit to help offset what you may have lost from this disastrous hurricane season.

New Mileage Rates

The standard mileage rate has been changed for 2021. The Standard Mileage Rate for your business miles is 56¢ for 2021. In 2020 your standard mileage rate was 57½¢. You will use these rates for all business related auto miles.

Did you know that you can also deduct miles for medical purposes? You can take a 14¢ per mile deduction for medical purposes—all medical purposes. This is the 2020 rate. To nail down this deduction, you need to maintain a **contemporaneous** log of all your miles driven. This means that you must log your miles as they occur. Yes, you should include odometer readings in your mileage log.

We can provide you with a log book to help you track your miles for the 2021 calendar year. Ask for one on your next visit.

Tax Tips



Keeping you informed

January 2021

Just Released News for FARMERS & RANCHERS

On December 27, 2020, President Trump signed into law a \$908 billion relief package. The legislation includes a very favorable update to the Paycheck Protection Program (PPP) for farmers and ranchers and also provides the U.S. Small Business Administration (SBA) with an additional \$284 billion for PPP loans, \$20 billion for Economic Injury Disaster Loan (EIDL) grants, and \$11 billion to the U.S. Department of Agriculture.

The new legislation would help farmers and ranchers by allowing them to use their 2019 Schedule F **gross income** (up to \$100,000) when calculating their PPP loan, rather than their 2019 net income. The bill also allows farmers and ranchers who received a PPP loan using their 2019 **net income** to recalculate their loan award using 2019 gross income if it would result in a larger loan amount.



Farm Credit System

The Farm Credit System (FCS) institutions were eligible to issue PPP loans when the program was first announced in March 2020; however, initial confusion about agricultural eligibility and system issues forced

farmers and ranchers to apply for PPP loans at community banks that already had experience processing SBA loans. Only 54 FCS institutions issued PPP loans compared to 3,570 non-FCS financial institutions with assets under \$1 billion. The FCS made 14,115 loans totaling \$1.2 billion out of the 129,258 loans totaling \$7.6 billion of PPP loans made to the agricultural sector. The new legislation eases the FCS capital requirements for PPP lending, consistent with relief provided to community banks. This applies to any loans made before, on, or after enactment, including forgiveness of the loan.

Our Computer Center

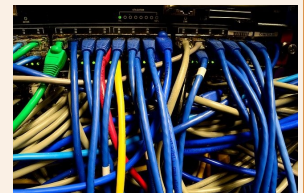
Did you know that we have a full service computer center? That's right, if you need a new computer, or would like your old one serviced, Shawn Etie' in our computer center can help.



Here is a list of just some of the services offered in this department:

- ⇒ Computer Sales
- ⇒ Laptop Sales
- ⇒ Network configuration
- ⇒ Website design
- ⇒ Repair service
- ⇒ Wi-Fi configuration
- ⇒ If it runs on a PC we fix it!

There is a reason **FACTS-5** is the leading Vermilion Parish computer service company. We invite you to let Shawn help you with all your computer needs.



Tax Tips

Keeping you informed



January 2021

What's New for 2021

2020 was a big year for tax change. The new 2020 was a big year for tax change. The new tax legislation was overwhelming at best, as it seemed to change daily. The IRS was not forthcoming with information, and what guidance was available was speculative. Fortunately, things have been somewhat sorted out. We've looked through the major changes and have isolated those that best fit our clientele. Here we will present what to expect as far as our Q&A during your tax appointment this year, in addition to what we usually ask. Many of the new items will require more discussion if applicable, but at least we can get the conversation going.

ECONOMIC RECOVERY PAYMENT (also known as your stimulus payment): We will need to know if you received the payment and how much you received. We need this information to reconcile the payment with your tax return and determine if you are due an additional first stimulus payment (income decreased from 2019, addition to the family, etc.) You are not taxed on the stimulus payments.

ECONOMIC INJURY DISASTER LOANS (EIDL) AND/OR PAYCHECK PROTECTION PROGRAM (PPP): Business owners, whether corporate, partnerships, or self-employed, could apply for these loans starting early in the year. If you received one of these loans, we would need to know how much you received and if it has been forgiven or expect it to be forgiven in 2021. After much back and forth, the IRS ruled that the expenses paid with these funds are tax-deductible. When presenting your business income, you should separate the payment from your earned income but include any expenses incurred.

UNEMPLOYMENT: If you collected unemployment this year, you should receive a Form 1099-G reporting the total payments and any tax withheld. These forms can be accessed and downloaded through your unemployment account online.

ONLINE SPORTS BETTING: Online gambling has been increasing in popularity. Remember, all winnings are subject to federal and state income tax, whether or not you receive a 1099. You may write off losses to the extent of your winnings as an itemized deduction; however, you will need proof of the losses.

INTEREST ON IRS REFUND: With the issuance of refunds being delayed this year, the IRS included some interest on most payments (dependent on when the return was filed and if the IRS was shut down at the time). You should receive a 1099-INT from the Department of the Treasury.

RETIREMENT PLAN DISTRIBUTIONS: The CARES Act provided some favorable tax treatment for those who received coronavirus-related distributions from eligible retirement plans. If you received a distribution from your retirement plan due to coronavirus-related reasons, please let us know. There will be some additional information (aside from the 1099-R) that we will need to discuss.

SELF-EMPLOYMENT TAX DEFERMENT: Under the CARES Act, a self-employed taxpayer can defer one-half of the social security portion of self-employment tax attributable to net earnings from self-employment for the period March 27th, 2020 and ending December 31st, 2020. While this may seem wonderful, there are serious considerations we should discuss before making this election.

SELF-EMPLOYMENT AND TAX CREDITS FOR PAID SICK AND PAID FAMILY LEAVE: If you are an employer, there are some employment tax credits that would have been filed with your

(Continued on page 8)

FACEBOOK Users

We want to invite you to our [FACEBOOK page](#). We use this social media site to disseminate important news information to our clients throughout a tax year. We expect there will be several changes in 2021 so be sure to LIKE our page so that you will be informed as changes are enacted.



Tax Tips



Keeping you informed

(Continued from page 7)

January 2021

employment tax reporting forms. But if you're self-employed, you likely do not have employees, and there are specific provisions available to you. If the coronavirus affected you under the qualifying factors, you may be eligible for some tax relief.

OTHER ITEMS: There were a number of tax extenders and additions to existing legislation. Some other things you will be asked include the following:

- If you are an educator, you may now include in the \$250 educator expense deduction any personal protection equipment (PPE) you purchased
- You can deduct up to \$300 in charitable deductions as an above-the-line deduction on your tax return if you do not itemize and have backup documentation..
- Residential Energy credits were extended through December 31st, 2021.
- Mortgage insurance (PMI) deduction was extended through December 31st, 2020.
- Starting in 2021 and through 2022, 100% of business meals will be deductible if provided by a restaurant. Travel meals are still only deductible at 50%. This change only affects business owners and self-employed taxpayers, not employees.
- Mortgage forgiveness relief has been extended through December 31st, 2020.
- For those who participate in flex-spending accounts, the latest COVID relief bill removed the limit of maximum carryover funds and extended the grace period to 2021.
- Unfortunately, you will need to rely on your employer if you incur home office expenses – there is no provision for deducting home office if you are an employee. That deduction was removed under the Tax Cuts and Jobs Act of 2017 (set to expire in 2025)

Have you Visited Our Website Lately?

By: Cynthia Anderson



We've made it through 2020. A year that taught us to be grateful for the simple things in life and treasure the ones we hold dear; I know I sure did. The year 2020 was full of life changes that brought about new fears and uncertainties and recent tax law changes. **FACTS-5** is here to help make the task of filing your tax returns as smooth as possible.

Have you visited our website lately? Making tax filing as easy as possible is our goal. Our website is full of informative tax articles, checklists, and worksheets. Check it out today! <http://www.facts-5.com/> Here is the most common and requested information:

- Here is a handy Tax Checklist list for tax information that may be pertinent to your tax situation. <http://www.facts-5.com/downloads/Client%20Checklist.pdf>
- With this Excel Mileage Log, you can record the number of miles driven for business and personal uses and submit it with your tax documents. <http://www.facts-5.com/downloads/>



(Continued on page 9)

Tax Tips



Keeping you informed

(Continued from page 8)

January 2021

[Excel%20Mileage%20Log.xls](#)

Louisiana took on the winds and rain of multiple hurricanes in 2020. **FACTS-5** Casualty Loss tax article gives helpful insight on losses due to federally declared disasters and determining deductibility. . <http://www.facts-5.com/downloads/Flood%20Help%20Kit.pdf>

How do I check the status of my refund?

To check the status of your refund, visit www.irs.gov/refunds, then click Check My Refund Status. You will need the primary taxpayer's social security number on the return, filing status, and refund amount.

Important reminders:

Make your appointment early. Filing early will get your refund to you early. if you have an amount due, you will have time to prepare for it.

ALL tax documents and consent forms must be delivered to our office **ONE WEEK PRIOR** to your appointment! This will allow us to make the necessary scheduling adjustments and ensure we have your return prepared before April 15. Unfortunately, if you do not bring us your documents as requested, we will need to reschedule your appointment to our next available opening. As a matter of convenience, we have provided you with a few safe and secure options for you to get them to us:

- ◆ You can scan and upload your tax documents to our secure client portal using Sharefile,
- ◆ You can use our convenient drop box located on the front of our office,
- ◆ You can FAX tax information to 337-898-2787, or
- ◆ You can mail – PO Box 698, Abbeville, LA 70511-0698



Every Client is given a free copy of their tax return, you may either have a paper copy, a USB disk, or it can be stored in your Sharefile Portal where you may download it to your personal computer system if you choose. We recommend the portal because you will then have access to it anytime, anywhere, including your cell phone. This will prove convenient when talking to your banker, home mortgage lender, or your investment advisor.

Payment is due when your return is completed. We accept cash, check, and all major credit cards (AMEX excluded). We can also offer you the "no money out of pocket" option known as an RT; ask your preparer for more details.

We **MUST** have a signed E-File Authorization Form and payment before we can E-File your return.

It has been my greatest pleasure, being a part of the **FACTS-5** family for the past two years. I have been the girl behind the scenes, in charge of data entry and managing our online client portal. I look forward to continually serving and getting to know each and every one of you.



Tax Tips



Keeping you informed

January 2021



“This is for YOU!”

By: Todd K Chauvin



Hello fellow Acadians! It’s great to be back in Cajun Country! I have spent the last 25 years living in Columbia South Carolina, raising my family and working in the Technology & Automotive Industries. In March 2020, Covid-19 made its impact felt and I, like so many others directly impacted by shutdowns and layoffs, was eventually forced to make some hard decisions. When Hurricane Delta approached Louisiana in early October 2020, I knew I had to come in to assist my aging parents in the prep and recovery associated with the storm. So, I came home to Abbeville for what was expected to be a two week stay. I had no idea that a second hurricane would soon follow, extending my visit and opening the door to new discussions about my future and relocation back to Abbeville. By this time, my sister Pam started talking about having me join the tax preparation team to fulfill an anticipated need. Pam recognized the need for a knowledgeable individual to assist **FACTS-5** clients with participating in a virtual tax meeting. She defined what she thought my responsibilities would be and I knew immediately that it was a perfect fit for my skillset. So, in December 2020, I took the leap and relocated back home to good ole Abbeville Louisiana! It has been an exciting and fulfilling experience thus far! I love being around family and I look forward to working with the **FACTS-5** staff and our growing family of accounting, computer & tax clients. It will be an honor to serve all of you!

The COVID-19 pandemic forced **FACTS-5** to move to online virtual tax meetings in March 2020. At that time, it was a scramble to implement the changes this pandemic imposed. Today, we have had the time to better prepare and manage our *Virtual Tax Services*. We are confident you will appreciate and enjoy the many changes to our processes designed to better serve you and make it easy to connect with us. It will be my job to contact each of you, to assist as necessary, in having a successful and pleasurable online virtual tax prep experience. I want to assure you, a LIVE VIRTUAL MEETING is EASY and EVERYONE can do it! **IT’S SIMPLE, CONVENIENT and JUST LIKE BEING IN OUR OFFICE!**

For those confined to home, **this is for YOU!** For the single mom or dad who can’t get a babysitter, **this is for YOU!** For those whose time is more important than anything, **THIS IS FOR YOU!**

FACTS-5 has stayed ahead of the curve in providing quality tax services for over 55 years. The goal remains the same to this day; **TO MAKE IT EASIER FOR OUR CLIENTS TO WORK WITH US.** Embracing change, while utilizing some of today’s newest technologies often requires encouragement and support.

In 2021, **FACTS-5** has invested in the infrastructure necessary to stimulate innovation and change while preserving the quality of service and traditions our clients have come to expect. We like the face-to-face meetings with our clients, and we know that you do too. A *Virtual Meeting* is the next best thing to doing just that.

The world has changed and our understanding of the “office” has correspondingly changed. An “office” is no longer automatically a place in the center of a city with rows of desks and telephones. Many brick and mortar establishments are recognizing how



Tax Tips



Keeping you informed

January 2021

technology is changing the playing field, while the competition and consumer are embracing the evolution to a more digitally interactive environment.

Today, we work with shared drives, online documents, instant messaging, cell phone apps and numerous other automated tools to help us accomplish daily tasks and communicate. Physical location is no longer a factor in working. Businesses are developing new ways to operate, out of necessity. DIGITAL/VIRTUAL services are evolving quickly while gaining in popularity by both the provider and the consumer. It easily replaces person-to-person contact, while affording convenient personal interaction via a web cam and microphone from just about anywhere! A PERFECT solution for surviving a pandemic.

Digital/Virtual, does not mean less human, on the contrary, technology allows businesses to deliver a **more human customer experience**. The need to adapt to the challenges we face in this world of social distancing and virus fears are real. These changes often require consumers to step out of their comfort zones, to try something new! Change is often met with resistance or hesitance. Ultimately, once change has been embraced, greater awareness and acceptance becomes the new norm and we establish new routines to adapt and grow. In the end, YOU, the consumer, are rewarded with more options and ultimately a better overall experience.

We are encouraging folks to remain open minded as it relates to technology. Our effort to provide a simple, easy to use virtual platform, has been established to foster healthy communications and maintain the same quality of service you all expect from *FACTS-5*.

I look forward to personally talking with each of you. We invite you to join us in our NEW Virtual Office this tax season. **It all starts by scheduling your VIRTUAL tax preparation appointment TODAY.** You will be very pleased with how *FACTS-5* is supporting your needs in 2021, while leading the way to embrace change in the utilization of today's newest technologies.



O.Gaspard...“Awesome! It was just like being in Pam’s office! I loved watching her increase my refund real-time on my screen!! Virtual is way cool! You guys made it so easy. Thanks again.”

T.Broussard...“You guys have done it again! Incredible!! We were blown away at how easy that was to get started! We definitely will do this again next year!”

J.Meaux...“I didn’t know what “virtual” really was. Sounded to techy for me. Glad you guys showed me how it’s done. I will recommend FACTS-5 to everyone!”

FACTS-5 experience the difference!

Tax Tips



Keeping you informed

Contact Us

January 2021



Pamela Chauvin Trahan

Pam serves as our office manager. In addition she is an accountant, and a tax preparer. She has 30+ years of experience and is considered an electronic tax filing expert.

Email: pam@facts-5.com



Shawn Etie'

Shawn heads up the **FACTS-5** computer center. After graduating from UL in 1998, Shawn began his career with our firm and has built our computer center into Vermilion Parish's largest computer sales and service company.

Email: shawn@facts-5.com



Paige Abshire

Paige will be serving our accounting clients. She is a 2018 UL graduate in business administration and is in her third tax filing season. We are fortunate to have a person like Paige serving our clients.

Email: paige@facts-5.com



Jaimmie L. Adams

Jaimmie is a seasoned tax preparer who has been with us for 15 years. She continues her education at UL and is now a seasoned tax preparer.

Email: jaimmie@facts-5.com



Roxie Gagne

Roxie is entering her fifth year of service to our company as our receptionist. Roxie's kind heart is felt by all who know her and she wants to make your tax preparation a pleasant experience.

Email: roxie.g@facts-5.com



Cynthia Anderson

Cynthia will be assisting with data entry and tax preparation. She has several years tax preparation experience which we intend to utilize.

Email: c.anderson@facts-5.com



Todd K. Chauvin

Todd made the mistake of coming home to help with hurricane recovery, and we decided to put his skillsets to work for us. He will be in contact with all clients at one time or another this season.

Email: todd@facts-5.com



Stephanie Sonnier

Stephanie comes to us with 15 years of experience as an administrative assistant in the oil service industry. We intend to put her talents to work in our data entry department.

Email: stephanie@facts-5.com



Don Chauvin

Don has now retired. While he can no longer see clients, he is still a resource and support person for us all.

Email: don@facts-5.com

Our **FACTS-5** Staff! 2021



Check List

By: Pam Trahan

Not sure what items you need to prepare your 2020 tax return? Use the tax checklist below to find the documents and forms you'll need to get started.

Personal Information

Your social security number or tax ID number, Your spouse's full name and social security number or tax ID number, Bank account number and routing number, if direct depositing your refund

Dependent(s) Information

Dates of birth and social security numbers, Childcare records (including the provider's tax ID number), Income of other adults in your home, Form 8332 showing the child's custodial parent is releasing their right to claim a child to you, the noncustodial parent (if applicable)

Employed

Forms W-2, Unemployment or state tax refund (1099-G)

Self-Employed

Forms 1099, Schedules K-1, income records to verify amounts not reported on 1099s, Records of all expenses — check registers or credit card statements, and receipts, Business-use asset information (cost, date placed in service, etc.) for depreciation, Office in home information, if applicable, Mileage Log for deductible business miles,

Rental Income

Records of income and expenses, Rental asset information (cost, date placed in service, etc.) for depreciation

Retirement Income

Pension/IRA/annuity income (1099-R), Traditional IRA basis (i.e., amounts you contributed to the IRA that were already taxed), Social security/RRB income (1099-SSA, RRB-1099)

Savings & Investments or Dividends

Interest, dividend income (1099-INT, 1099-OID, 1099-DIV), Income from sales of stock or other property (1099-B, 1099-S), Dates of acquisition and records of your cost or other basis in property you sold (if basis is not reported on 1099-B), Health Savings Account and long-term care reimbursements (1099-SA or 1099-LTC), Expenses related to your investments

Other Income & Losses

Gambling income (W-2G or records showing income, as well as expense records), Jury duty records, Hobby income and expenses, Prizes and awards, Trusts, Royalty Income 1099-Misc., Any other 1099s received.

Home Ownership

Forms 1098 or other mortgage interest statements, Real estate and personal property tax records, Receipts for energy-saving home improvements (e.g., solar panels, solar water heater), All other 1098 series forms

Charitable Donations

Cash amounts donated to houses of worship, schools, other charitable organizations, Records of non-cash charitable donations, Amounts of miles driven for charitable or medical purposes

Medical Expenses

Amounts paid for healthcare insurance and to doctors, dentists, hospitals, prescriptions, medical equipment & supplies, lab fees, medical miles, etc.

Health Insurance

Form 1095-A if enrolled in an insurance plan through the Marketplace

Childcare Expenses

Name, address, ID# and amount paid to a licensed day care center or family day care for care of an infant or preschooler, Wages paid to a baby-sitter. Don't include expenses paid through a flexible spending account at work.

Educational Expenses

Forms 1098-T from educational institutions, Receipts that itemize qualified educational expenses, Records of any scholarships or fellowships you received
Form 1098-E if you paid student loan interest.

K-12 Educator Expenses

Receipts for classroom expenses (for educators in grades K-12)

State & Local Taxes

Amount of state/local income tax paid (other than wage withholding), or amount of state and local sales tax paid, Invoice showing amount of vehicle sales tax paid

Retirement & Other Savings

Form 5498-SA showing HSA contributions, Form 5498 showing IRA contributions, All other 5498 series forms (5498-QA, 5498-ESA)

Federally Declared Disaster

City/county you lived/worked/had property in, Records to support property losses (appraisal, cleanup costs, etc.), Records of rebuilding/repair costs, Insurance reimbursements/claims to be paid, FEMA assistance information

Record of Taxes Paid (Federal and State)

Federal Form 1040-ES Quarterly Payment (with copy of checks)
Louisiana Form IT540-ES Quarterly Payment (with copy of checks)

Legal Documents

Divorce or separation papers for 2020, copies of any succession for which you were a recipient of any property, copies of any adoption proceedings, copies of ANY correspondence between you and any Federal or State taxing agencies. If you formed an LLC or Corporation, bring those articles of organization.

We urge you to visit <https://www.facts-5.com/downloads/handouts/default.html>. We have a wealth of information available for you there.



ACKNOWLEDGMENT OF RECEIPT

I hereby acknowledge the receipt of the following documents:

Initial
applicable
boxes

1040 - Individual Tax Return Engagement Letter with *FACTS-5*.

Consent to Use of Form 1040 Information.

Consent to Use of Tax Return Information – Santa Barbara Bank.

Signature of Client: _____ Date: _____



2020

1040 - INDIVIDUAL TAX RETURN ENGAGEMENT LETTER

Dear Valued Client

Thank you for selecting **FACTS-5** 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 2020 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. Upon your request, we will provide an "Organizer" which may help you gather the information required for a complete return. If you use the Organizer, it will help you avoid overlooking important information and contribute to efficient preparation of your returns. This helps keep the cost of our services as low as possible.

It is your responsibility to provide information required for preparation of complete and accurate returns. You should keep all documents, canceled checks and other data that support your reported income and deductions for a period of 5 years. They may be necessary to prove accuracy and completeness of the returns to a taxing authority. You are responsible for the accuracy of your returns, so you should review them carefully before signing.

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.

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 to us for further disclosure to the IRS.

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 prior to electronic filing of your return or presentation to you for mailing. To the extent permitted by state law, a \$35 fee will be charged for any NSF check return to us by your bank.

We will retain electronic copies of records you supplied to us along with our work papers for your engagement for a period of five years. After five years our electronic records will be destroyed. All of your original records will be returned to you with your copy of your returns. 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 it to us in the envelope provided.

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

Sincerely,

FACTS-5 
PAMELA C. TRAHAN, PRESIDENT
AZCO, INC. (d/b/a **FACTS-5**)



(Both husband and wife must sign for preparation of joint returns)

Taxpayer Signature:	Spouse Signature:	Date Signed:
Taxpayer Printed Name:	Spouse Printed Name:	
Taxpayer SSN:	Spouse SSN:	

FACTS-5

Consent for Use of Form 1040 Information

Federal law requires that this consent form be provided to you. Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

Duration of Consent: One Year from this date Other _____
(Check one)

I, _____, authorize **FACTS-5** to use any and all information having to do with my 2020 Tax Return for the purpose of:

- Investment advice to be given.
- Estate planning advice to be rendered.
- Electronic Filing of my 2020 Tax Return to a 3rd Party, Intuit, Inc. d/b/a ProSeries.
- Retirement planning advice.
- Social Security planning.
- Calling me to make an appointment or remind me of an appointment.
- Sending newsletters, birthday cards, etc.
- Text message me with tax alerts or information regarding my tax return.
- Acquisition and disposal information of stock, bonds and other assets with my financial advisor.
- General current and future tax advice.

(Cross through any not authorized)

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov.

Taxpayer Signature: _____

Date: ____/____/____

Spouse Signature: _____

Date: ____/____/____



For a jointly filed tax return, BOTH taxpayers' signatures are required.

Please make a copy of this signed form and return the original to this office at:

118 LeBlanc Street, Abbeville, Louisiana 70510

Or mail to: P.O. Box 698, Abbeville, LA 70511-0698.

Or scan and email this document to: cynthia@facts-5.com.

Consent to Use of Tax Return Information

FACTS-5

(hereinafter referred to as “we”, “us” and “our”)

Federal law requires this consent form be provided to you (“you” refers to each taxpayer, if more than one). Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year. If you do not consent, then you may still have your tax return prepared and electronically filed by us for a fee.

For your convenience, we have entered into an arrangement with Santa Barbara Bank & Trust Company (“BANK”) to provide qualifying taxpayers with the opportunity to apply for a Refund Transfer (“bank product”) offered by BANK. To determine whether a bank product may be available to you, we will need to use your tax return information by analyzing it and calculating the amount of your anticipated refund.

If you would like us to use your tax return information to determine whether a bank product may be available to you while we are preparing your return, please sign and date this consent to the use of your tax return information. Should you decide to use a BANK product, then our tax preparation fees will be paid by the BANK and you will not need to make a payment at the time of your tax preparation.

By signing below, you (including each of you if there is more than one taxpayer) authorize us to use the information you provide to us during the preparation of your 2020 tax return to determine whether to present you with the opportunity to apply for a bank product from BANK.

Printed Name of Taxpayer: _____

Taxpayer Signature: _____ Date: _____

Printed Name of Joint Taxpayer: _____

Joint Taxpayer Signature: _____ Date: _____

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov[A1].

ITEMIZED DEDUCTIONS WORKSHEET

TAX YEAR 2020

Name: _____

S/S # _____ | _____ | _____

MEDICAL EXPENSE:

Drug Store _____
 Drug Store _____
 Drug Store _____
 Drug Store _____

HOSPITAL INSURANCE:

Self Financed Health Insurance _____
 Group Hospital Insurance Premiums _____
 Group Hospital Insurance Premiums _____
 Medicare Part B Premium _____

DOCTORS:

Dr: _____
 Dr: _____
 Dr: _____
 Dr: _____
 Dr: _____
 Dr: _____
 Dr: _____
 Dr: _____
 Dr: _____
 Dr: _____
 Dr: _____

HOSPITALS:

NURSE CARE:

OTHER MEDICAL:

Hearing Aids _____
 Dentures _____
 Eyeglasses _____
 Ambulance Service _____
 Lodging Expense for Medical Care _____
 Medical Miles:
 Jan 1 thru Dec 30 _____ @ 17¢ P/Mile
 Other Medical Expenses: _____
 Crutches & Wheel Chair Rental/Expense _____

Total Medical Expenses

TAXES:

State Income Taxes W/H (Current Year) _____
 State Income Tax Paid on Prior Yr. Tax Return _____
 Sales Tax _____
 Property Taxes _____
 Personal Property Tax _____

Total Taxes

INTEREST EXPENSE:

Home Mortgage _____
 Second Mortgage _____
 Second Home _____
 Investment Interest Expense _____
Total Interest Expense

CASH CONTRIBUTIONS:

Church _____
 Church _____
 Muscular Dystrophy _____
 Cancer Fund _____
 St. Jude _____
 United Way _____
 Various Missions _____
 Misc. Contributions _____
 Charity Miles _____ @ 14¢ P/Mile
Total Cash Contributions

CONTRIBUTIONS OTHER:

To: _____
 What? _____
 To: _____
 What? _____
Total Non-Cash Contributions

CASUALTY LOSSES

(Only Federally declared disasters are allowable in 2018)

OTHER DEDUCTIONS:

(Not Subject to 2% Floor)
 Gambling Losses (Limited to winnings only) _____
 Impairment-related Work Exp F/Handicapped _____
 Adjustments under a Claim of Right _____
 Other _____

Total Deductions Not Subject 2% Floor

Total Itemized Deductions _____

NOTE: Effective 1/1/2018 you no longer can deduct your auto expense, hotel and food expense, safety clothing and equipment expense, union dues, investment expenses, tax preparation fees, safe deposit box rental, IRA custodial fees, uniform expense, telephone expense, and many more items. Talk with your tax preparer for more information.

