



Make Tax Time a Breeze by Knowing What Documents to Keep

Tax time is here and that means that it is time to start collecting all of the tax documents that you will be receiving in the mail. Here is some tax information to help make your tax preparation process as easy and efficient as possible.

The IRS requires that all corporations mail out all tax documents by January 31st. This means that by the first week of February you should have all of your tax documents.

1099

This document is prepared by corporations, which are required to report certain information regarding the amount of income an individual earned for the year. The income figure is reported to both the individual and to the IRS. The 1099 document comes in many forms and below are a few of the more common types:

- 1099-INT This document is prepared to show the amount of interest income that you earned in that particular account or financial institution. This document is not mailed if total interest for the year is less than \$10 or if the interest was earned in a tax free account, such as an IRA.

- 1099-DIV This document is prepared to show the amount of dividend income that you earned in that particular account or financial institution. This document is not mailed if total dividends for the year are less than \$10 or if the dividends were earned in a tax free account, such as an IRA.

- 1099-B This document is prepared to show the total sales of stocks and bonds from that particular account or financial institution. (This is not your total gain or loss. In order to calculate the gain or loss on your securities you must subtract your cost basis in the stocks or bonds.)

- 1099-R This document is prepared to show the total amount of distributions received from a pension or IRA account.

1098

The 1098 is prepared by banks and lending institutions. This document shows the amount of interest that was paid to the lending institution by the individual. This document is used by individuals that decide to itemize their deductions rather than take the standard deduction.

If you would like to learn more about these tax forms or would like to know what you can do to reduce your taxes please give The Ruboyianes Company a call and we can discuss your personal tax situation.