**Reviewer’s checklist for individual tax returns**

Client\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Year\_\_\_\_\_\_ Date Prepared\_\_\_\_\_\_\_\_ By\_\_\_\_\_\_\_\_\_\_

Following is a suggested checklist of things for the reviewer to do:

* Review client’s name and address, Social Security numbers and business code (if applicable) (if this is first year doing this client’s return)
* If client showed a change of address,was there a sale of residence to be reported or part year state returns, or was change of address required to be reported to a tax authority
* Were all required State and Local tax returns prepared
* Was proper tax filing status used
* Review current and prior year’s summary worksheet, and projection if one was prepared, and explanations for large variances, differences, inconsistent amounts, and surprise items
* Compare last year’s return with this year’s return if comparison worksheet was not prepared
* Were last year’s unusual or large items reviewed to see if they were applicable for this year
* Verify that estimated tax payments were made
* Review that estimated tax payments and withholding taxes were entered properly on Tax Payments Worksheet, and that withholding tax ties into W-2s and other documents
* Review that estimated payments were calculated properly for the current year
* Review K-1 input
* Review W-2 input
* Total of all 1099s should tie in with amounts on return
* Were carryforwards entered properly and accounted for
* Were suspended losses properly treated
* Were gross sales from security transactions reconciled with 1099s (use form we have)
* Review cost basis submitted or on 1099s or for wash sales, and gift and inherited stocks
* Were deductions for worthless stock, debt or non business bad debts considered
* Compare federal to state returns to see that add backs and reductions seem logical
* If a trial balance or financial statement was provided for client’s Schedule C business, reconcile any book to tax differences or adjustments, and that they appear reasonable
* Is client a real estate professional, or should an election to be stock trader be made
* Have all applicable bonus and accelerated depreciation deductions been applied
* Are hobby loss rules applicable
* Were unreimbured outside partnership expenses considered being deducted on Schedule E
* If client is over age 70 ½ were all require minimum distributions taken
* Was kiddie tax considered for children under age 24
* Were tax preparation and planning fees allocated to Schedules C or E or other categories of ncome
* If client made charitable contributions from their IRA was it properly treated on return
* Was there any circumstance requiring the filing of Form 5329 for additional taxes on retirement plans
* Health Insurance: Are Forms 8962 and 8965 applicable
* Were items on flag sheets, notes based on discussions with client during the year, special instructions and knowledge points in tax control considered
* Look at client’s correspondence and notes that accompanied their tax information to see if applicable to the tax return preparation or if it requires separate follow up actions
* Address any notes or comments by a partner
* Look at tax notices received last year to see if they affect current year’s return
* Should be no diagnostics, open or unresolved items
* All questions on the preparer’s checklist (if checklists are required) should have responses
* Address S Corporation distributions to client in excess of AAA or with negative capital
* If self-employment income, was a SEP or other pension plan payment made or considered
* If client did not make maximum IRA or Roth IRA contributions, were they made aware of it
* Was question for foreign bank accounts or signatory powers checked on organizer and FinCEN Form 114 prepared if required
* If not checked, was client asked if they had a foreign account or signatory powers:

 \_\_\_Yes, \_\_\_No (If no, make sure they are asked question) and proper box should be checked

* Review AMT adjustments, calculations and opportunities to use AMT credit from prior years
* Are filing and estimated tax instructions correct
* All penalties, interest, underpayment and late filing penalties should be calculated
* Look at every page of completed return and review for any obvious red flags or audit triggers
* Was there any follow through by client on tax or financial planning recommendations made last year. Report any comments:

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* Were opportunities identified for tax or financial planning for the client. This should be followed up after tax season. Put on tax calendar with date. If not included on separate checklist, list here:

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*This information was provided courtesy of Edward Mendlowitz, CPA, partner emeritus, WithumSmith+Brown, P.C. Ed was a speaker at the PSTAP Practice Management Seminar.*