

# **TURBO TAX**

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**MELNEE KASPER**

# INTERESTING FACTS FOR 2020\*

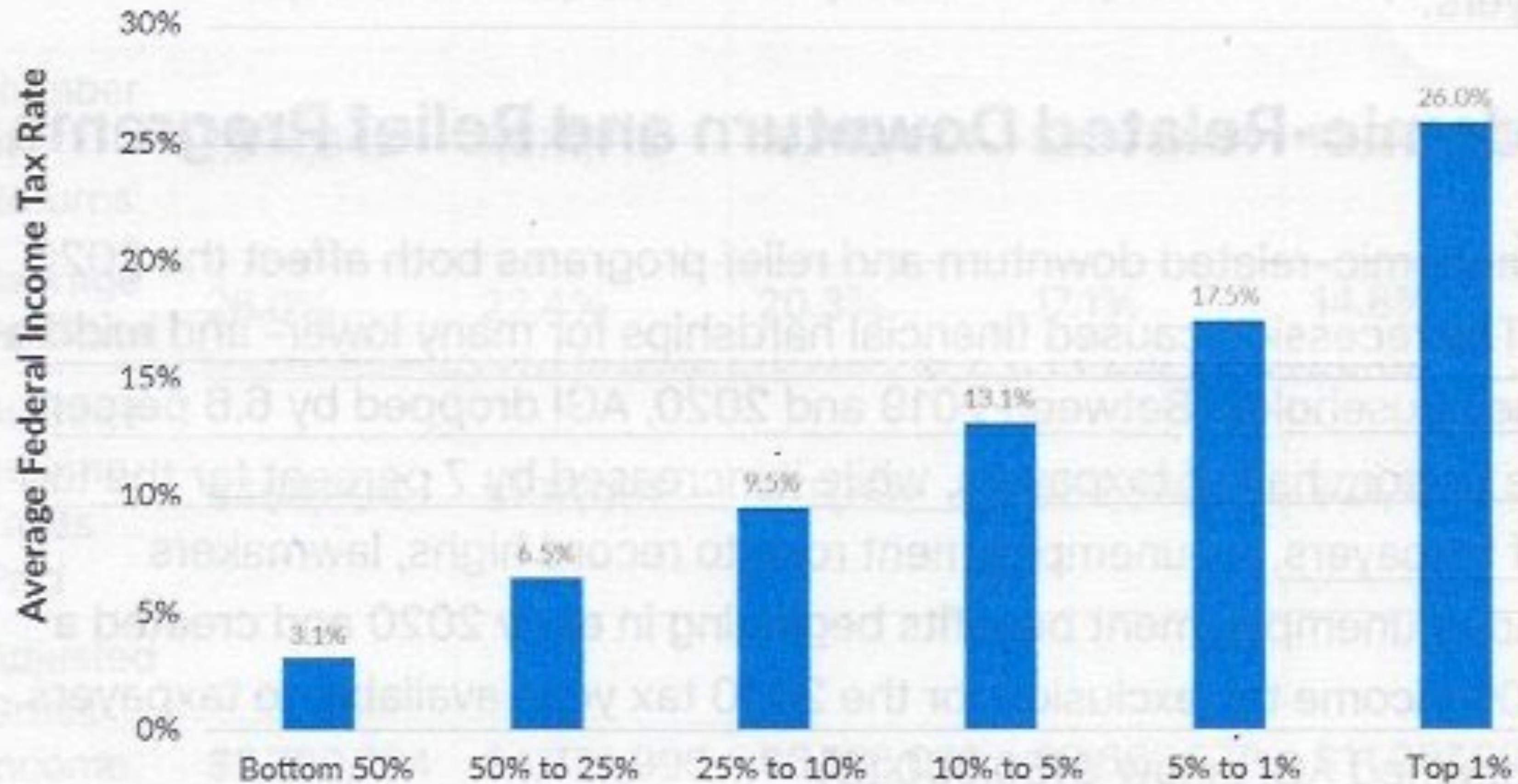
1. 157.5 MILLION TAX RETURNS WERE FILED. \$1.7 TRILLION COLLECTED.
2. THE AVERAGE FEDERAL INCOME TAX RATE WAS 13.6%.
3. TOP 1% PAID 25.99% — ABOUT 8 TIMES THE 3.1% FOR BOTTOM HALF.
4. TOP 50% PAID 97.7% OF \$1.7 TRILLION. BOTTOM 50% PAID 2.3%.
5. THE AVERAGE TAX RATES FOR ALL INCOME GROUPS REMAINED LOWER IN 2020 — 3 YEARS AFTER THE 2017 TAX CUTS & JOBS ACT.
6. ABOUT  $\frac{2}{3}$  OF ALL TAXPAYER'S TAKE THE STANDARD DEDUCTION.

\* IRS 2020 INDIVIDUAL INCOME TAX DATA PUBLISHED BY THE TAX FOUNDATION.

# PROGRESSIVE TAX SYSTEM

## High-Income Taxpayers Paid the Highest Average Income Tax Rates

Average Federal Income Tax Rate by Income Group, 2020



Source: IRS, Statistics of Income, Individual Income Rates and Tax Shares.

# GATHER INFORMATION

1. LAST YEAR'S TAX RETURN
2. W-2'S
3. 1099'S
4. 1099-R'S (ANNUITY & RETIREMENT PLANS)
5. ESTIMATED FEDERAL AND STATE TAX PAYMENTS
6. 1098'S FOR MORTGAGES, STUDENT LOANS, TUITION
7. PROOF OF MEDICAL INSURANCE & MEDICAL PAYMENTS
8. CHARITABLE DEDUCTIONS AND OTHER ITEMIZED DEDUCTIONS
9. OTHER TAXES PAID
10. PROOF OF SMALL BUSINESS & RENTAL PROPERTY INCOME/EXPENSE

# TIPS

## 1. GET PUBLICATION 17 — AKA: THE TAX BIBLE

\* ONLINE: <https://www.irs.gov> THEN, SEARCH PUBLICATION 17.

\* HARDCOPY: BY PHONE: 800-829-3676

## 2. REMEMBER INDIVIDUAL RETURNS ARE FILED ON A “CASH BASIS”.

## 3. MISSING A DOCUMENT?

GO TO: <https://www.irs.gov/individuals/get-transcript>

THEN CREATE AN “ID.Me” ACCOUNT TO RECEIVE A TRANSCRIPT OF ALL W-2’S, 1099’S, ETC.

# TURBOTAX

# VERSIONS

## Free Edition

Simple tax returns only  
[See if you qualify](#)

**\$0 Fed. \$0 State. \$0 to File.\***

File for \$0



(4.9 | 23,079 reviews)

## Deluxe

Maximize tax deductions and credits

~~\$59~~ \$39\*

State additional

Start for free  
Pay only when you file



(4.5 | 34,946 reviews)

## Premier

Investments and rental property

~~\$89~~ \$69\*

State additional

Start for free  
Pay only when you file



(4.5 | 4,993 reviews)

## Self-Employed

Personal & business income and expenses

~~\$119~~ \$89\*

State additional

Start for free  
Pay only when you file



(4.7 | 7,479 reviews)

✓ Free filing of your simple federal and state tax returns only.  
[See if you qualify.](#)

### Included in Free Edition

- ✓ Easy prep, print, and e-file
- ✓ Jumpstart your taxes, snap a photo of your W-2

### Everything in Free Edition, plus

- ✓ Searches 350+ tax deductions and credits
- ✓ Maximizes mortgage and property tax deductions
- ✓ Turn donations into big deductions

### Everything in Deluxe, plus

- ✓ Covers stocks, bonds, ESPPs, crypto, and other investments
- ✓ Auto-import your crypto and stock activity to make sure there's no missing info
- ✓ Covers rental property income and tax deductions
- ✓ Accurately account for gains and losses from crypto transactions

### Everything in Premier, plus

- ✓ Guidance for freelancers, independent contractors, and small business owners
- ✓ Uncovers industry-specific deductions for more tax breaks
- ✓ Upload your 1099-NEC or 1099-K with a snap from your smartphone
- ✓ Audit assessment for added confidence