

# Frequently Asked Questions

## Organization

**Q:** How to Use a Discount Code:

**A:** Please enter your discount information in the organizer. If it is a referral discount, please indicate: "referral + name of the referrer or referee."

**Q:** How to Make a Payment to Us:

**A:** Please log in to your account and click the Invoice section. Your bill will appear there.

**Q:** What if I Miss My Scheduled Appointment?

**A:** Our preparer will hold the meeting for 10 minutes. If the client is late and does not show up within those 10 minutes, we will consider the return review meeting completed. Due to the high volume of cases during tax season, we may not be able to accommodate an additional appointment. However, clients are welcome to post any questions in our chat channel, and our preparer will respond as soon as possible.

**Q:** Why is there a processing fee when I pay through TaxDome?

**A:** TaxDome uses a secure third-party payment processor that charges a standard processing fee for online payments. This fee is collected by the payment processor, not by our firm.

**Q:** Can I avoid the processing fee?

**A:** Unfortunately, no. The fee is assessed by TaxDome and it applies no matter if you pay by credit card or a bank debit.

## Documents & Forms

**Q:** What documents do I need to provide for tax filing?

**A:** Please provide all income documents (W-2, 1099 forms), deductible expense receipts, bank interest statements, investment documents, mortgage statements, property tax records, tuition forms, HSA/IRA contribution forms, and any foreign income or asset information. A full checklist is available in your organizer.

**Q:** Do I need to report income received through Venmo, Zelle, or Cash App?

**A:** Yes, business or self-employment income received through Venmo, Zelle, or Cash App must be reported, even if you don't receive a 1099 form. Personal transfers between friends/family do not need to be reported.

**Q:** What should I do if I receive foreign gift money?

**A:** During a calendar year, if you received a foreign gift of over \$100,000 from an individual or over \$16,000 from a foreign corporation/partnership, you may need to file Form 3520 to report it. The gift itself is not taxable, but reporting is required to avoid IRS penalties. Please note that Form 3520 is required to be filed by paper ONLY, the IRS does not allow e-filing for this form.

Please print form 3520 and attachment, sign and mail to:

Internal Revenue Service Center

P.O. Box 409101

Ogden, UT 84409

**Q:** What is Form 1099-NEC, 1099-MISC, or 1099-K, and do I need to include it?

**A:**

- 1099-NEC: Reports self-employment or contractor income. Must be included.
- 1099-MISC: Reports various types of income such as rent, prizes, or royalty payments. Must be included.
- 1099-K: Reports payment transactions from platforms like PayPal, Venmo, Stripe, Uber, Etsy, etc. Include it if the payments were for business or sales activity, not personal transfers.

**Q:** Do I need to report foreign bank accounts or foreign income?

**A:** Yes. As a U.S. tax resident (including green card holders and most visa holders who meet Substantial Presence Test), you must report your worldwide income and may also need to report certain foreign financial accounts.

**FBAR:** if the total value of all your foreign financial accounts exceeded \$10,000 at any time during the year. This includes foreign bank accounts, investment accounts, joint accounts, and certain digital wallets (e.g., Alipay/WeChat). FBAR is filed with the U.S. Treasury, not with your tax return.

**Form 8938 (FATCA):** You must file Form 8938 if your foreign financial assets exceed the IRS thresholds:

- Single: over \$50,000 at year-end or \$75,000 anytime during the year
- Married Filing Jointly: over \$100,000 at year-end or \$150,000 anytime during the year
- Form 8938 includes everything on FBAR plus additional foreign assets like foreign stocks, mutual funds, pensions, or foreign business interests. It is filed with your Form 1040.

**Q:** Can Goodwill or charity donations be deducted?

**A:** Yes, charitable donations to qualified organizations can be deducted ONLY if you itemize deductions. For non-cash donations (such as Goodwill), a detailed receipt is required. For donations over \$500, Form 8283 is needed.

## Tax payment & Penalty

**Q:** Can I pay my taxes with a credit card? How do I make the payment?

**A:** Yes, you can pay your federal taxes and most state taxes with a credit card through IRS-approved or state-approved payment processors. Please note that credit card payments usually include a processing fee charged by the payment service, not by our firm. For Federal tax payments, please use this link and note that you are allowed to use ONLY 2 cards maximum for tax balances payment: <https://www.irs.gov/payments/pay-your-taxes-by-debit-or-credit-card>

**Q:** What are estimated tax payments, and do I need to make them?

**A:** Estimated tax payments are quarterly tax payments you make to the IRS if you don't have enough tax withheld during the year. You may need to make them if you have self-employment income, investment income, rental income, foreign income, or if your W-2 withholding is not enough to cover your total tax.

**Q:** What is an underpayment penalty? Why do I have an underpayment penalty?

**A:** An underpayment penalty is a fee charged by the IRS (or state) when your withholdings and estimated tax payments during the year were not enough to cover the taxes you owe.

You may have an underpayment penalty if:

- Your employer did not withhold enough taxes from your paycheck;
- You had investment, self-employment, or foreign income without withholding;
- You owed a large balance due at tax filing;
- You did not make estimated tax payments when required.

**Q:** How can I avoid underpayment penalties in the future?

**A:** The underpayment penalty can be waived if the following condition is met:

- You owe LESS than \$1,000 in tax after deducting withholdings and credits, OR
- Your current year total withholding tax plus any estimate tax you paid, is greater than 100% of your Prior Year total tax (or 110% if your Adjusted Gross Income is more than \$150,000 for BOTH single and MFJ) OR
- Your current year total withholding tax plus any estimate tax you paid, is greater than 90% of your Current Year total tax.

The penalty is waived if EITHER ONE of the above is met. Therefore, you should consider adjusting your withholding or starting to make estimated tax payments to avoid this happening again in the future.

## Refund & Balance Due

**Q:** When will I get my refund?

**A:** Most refunds are issued within 21 days after the IRS accepts your return. State refund timelines vary by state. You can track your refund using the IRS “Where’s My Refund?” tool or your state’s refund tracker.

**Q:** Why do I owe taxes this year? I usually get a refund.

**A:** Check key figures: AGI, deduction amount, total tax and tax rate, withholding amount and percentage. Pull a 2-year comparison report and it might help.

**Q:** Is there a price increase this year?

**A:** Yes, we implemented an approximate 6% increase to our base pricing. This adjustment was made for several reasons, including inflation, rising software expenses, and higher labor costs. At the same time, we offer additional discount programs, such as our loyalty discount, to show our appreciation for your continued partnership with us.

**Q:** Can I change the bank account for my refund or payment?

**A:** You can change your bank account before we file your return. After the return is submitted with the IRS, the bank information cannot be changed.

If your refund is rejected by the bank, the IRS will mail a paper check to your address on file.

Please double-check your bank account on the payment date, if you do not see the tax payment deducted from your bank account, please notify us immediately to avoid further penalties or interest.

**Q:** I didn't receive my refund, what should I do?

**A:** First, check the IRS or state refund tracker for status updates. Delays may occur due to identity verification, additional review, or incorrect bank information.

If the IRS requests verification, please complete it promptly. If the refund is mailed, allow extra time for postal delivery.

**Q:** Why is the refund I received different from the amount you calculated?

**A:** There are a few possible reasons:

- The IRS or state may have made an adjustment after reviewing your return.
- Your refund may have been reduced to offset past-due federal or state taxes, student loans, or other government debts.

- If you were assessed an underpayment penalty, the final refund amount may change. The penalty calculated by the tax software is only an estimate, and the IRS will adjust your balance or refund based on the final penalty amount they compute.

If you received a notice or letter from the IRS, please upload it so we can review it for you.

## Deadlines & Extensions

**Q:** What if I can't file by the deadline?

**A:** If you cannot file your tax return by the deadline, you can request an automatic 6-month extension. This gives you more time to file the return, but not more time to pay.

**Q:** Does an extension mean I don't have to pay now?

**A:** No. An extension only extends the filing deadline, not the payment deadline.

Any tax owed is still due by the original April deadline. If you don't pay enough by that date, the IRS may charge interest and underpayment penalties, even if you filed an extension.

**Q:** How do I file an extension?

**A:** You can file an extension by submitting Form 4868 electronically or by mail.

Our team can help submit the extension for you upon request. If you expect to owe taxes, you should make an estimated payment when filing the extension to avoid interest and penalties.