

NEWS Tax

Advisors run through tax season checklist



Kashif Ahmed of American Private Wealth and Scott Keegan of Gertsema Wealth Advisors

Rushing to file early can lead to having to amend tax forms later on, advisors say.

January 24, 2024 [By Josh Welsh](#)

Everyone loves getting a little extra money in their pocket when it comes to tax season. With the end of January fast approaching, clients – and ***advisors – should start getting ready to file.***

The IRS will begin accepting 2023 individual income tax returns starting ***next Monday***, and advisors are being reminded to start having those conversations with clients, especially when it ***comes to tax preparation.***

While it may be good to be ahead of the game, some advisors say submitting too early can result in time wasted and amendments to tax forms.

“Don’t rush to file your taxes,” says Kashif Ahmed, certified financial planner and president of American Private Wealth. “Last year, my own final 1099 came on April 14. Investment firms have the right to send it to you until the very end, so why rush to do your taxes?”

Scott Keegan, COO and wealth advisor at Gertsema Wealth Advisors, says one thing his firm has added to its practice recently is using ***Holistiplan*** to write letters to clients who make charitable donations.

“It’s so hard for tax preparers to know that a client did that unless they have some sort of documentation saying that they did it,” Keegan said. “We, the advisors, are doing it for the client. A lot of times they forget to tell the tax preparer ... we’ve been sending that letter out to clients, just to make sure that they don’t miss out on that tax deduction.”

Ahmed says he advises his clients that tax documentation like 1099s and W-2s will come when they need to, so clients shouldn’t be worrying about them – especially since advisors have no control over when the forms arrive.

“Investment firms very regularly send out updated 1099s,” he said. “This is because the positions you hold may report updated dividends, capital gains or foreign taxes paid. Why file, then have to amend your taxes? Brokerages gives a schedule of when to expect tax documents.”

When a brokerage publishes a mailing schedule, Ahmed says, he sends that to his clients and tells them, “Go by this. Let that be your guide ... I know countless advisors, year after year, who are canceling their kid’s birthday parties because clients are angry they haven’t gotten their 1099 yet.”

Catherine Valega, founder of Green Bee Advisory, says that if clients have received their W-2s and 1099s, they should file.

“Pay particular attention to crypto filing, and new Venmo IRS tax reporting if you’re self-employed and received income from that platform,” Valega wrote in an email.

Small businesses often aren’t ready to file and may have to file an extension, so they should discuss that with their tax return preparer early, she said, adding that estimated tax payments should not be forgotten either.

As for the sweet spot of when to file, Keegan says a lot of his clients file in early to mid-March.

“If you file a little bit earlier, you get a little bit more of a closer look with your CPA, and maybe there’s some discussions that can be had,” he added. “But if you wait right up until the last minute, because there’s so much [going on], sometimes there’s things that maybe could have been done or missed, but they don’t have the time to reach out and be proactive on it, just because it’s so close to the last minute.”

Keegan said the biggest thing that advisors can do is be in ***constant communication with clients and double-check their tax forms.***

“There’ve been times where we’ve found issues and clients have had to file amendments,” he said. “But they were really thankful that we caught them; they would rather us catch them than the IRS.”

The tax filing deadline is April 15.

Related Topics: ***Tax, tax forms***

Learn more about ***reprints and licensing*** for this article.