

## 2018 Tax-Year Guidance

- **Timing:** You may want to wait until late March to give your tax preparer your reports: Note that investment companies sometimes re-characterize income after year-end, which may result in your custodian having to issue revised Forms 1099. For this reason, if you plan on filing by this year's April 15, 2019 deadline (or April 17, 2019 if you live in Maine or Massachusetts<sup>1</sup>), your tax preparer may recommend that you wait until late March to ensure that you have the complete data.
- **Capital Gains and Losses:** These are reported on the Form 1099 from your custodian.
- **Management Fees:** Form 1099 from the custodian will include management fees paid to Modera Wealth Management from your taxable accounts. Please note that due to recent changes in the tax code these fees are no longer deductible starting with your 2018 tax return.
  - If any of your management fees were debited from tax-deferred accounts such as an IRA, they will not appear on a Form 1099 because such fees remain not deductible.
- **Other Expenses:**
  - If applicable, Forms 1099 also will include other expenses paid out of your taxable accounts, such as margin interest, which may be deductible.
  - If applicable, Forms 1099 report foreign taxes paid out of your taxable account during the year together with disclosure of gross foreign income.
- **Donor Advised Fund Noncash Contributions:** If you made noncash contributions, including securities, valued at more than \$500 to a donor advised fund during 2018, please note that you need to file a Form 8283 with your federal tax return.
- **Qualified Charitable Distributions:** The IRA custodian's Form 1099-R does not disclose the amount of qualified charitable distributions. If your IRA made a qualified charitable distribution in 2018, your Modera wealth manager will provide the amount of such distribution for use in preparing your 2018 tax returns.
- **Completed Tax Return:** For our wealth management clients, please be sure to forward copies of your completed 2018 state and federal tax returns to our office to assist us in helping you.

We hope that you find the above information useful in the preparation of your taxes. Please contact us with any questions.

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<sup>1</sup> . Individuals who live in Maine and Massachusetts have until April 17, 2019, to file their 2018 Form 1040 because April 15, 2019, is Patriots' Day and April 16, 2019, is Emancipation Day.