



January 20, 2012

Make it Easy on Yourself Come Tax Season

Tax submission deadline this year is April 17 (courtesy of Emancipation Day holiday in DC). You should be receiving the usual W2s and 1099s in the mail pretty soon. The IRS has issued some guidelines for you to follow to make it easier on yourself when tax season kicks off in full swing.

Firstly, start getting your records up to speed. Gather all receipts, statements and income documents to validate your income and expenses for last year. Here's what Clay Sanford, an IRS representative in Dallas said: "The first thing you'll want to do is to gather your records and round up any documents you'll need when filing your taxes. Get into the habit of keeping good records every year — saving receipts, canceled checks and other documents that support income or deductions you're claiming on your return."

If you do not receive your W2 or 1099 forms by end of this month, you should contact your employer. If you have changed address, inform your employer accordingly.

The IRS is actively encouraging taxpayers to file their tax returns electronically. More than 70% of taxpayers used the IRS e-filing service last year. Filing your tax returns electronically has many advantages, not least of which are eliminating the possibility of tax returns lost in the mail and speeding up tax refunds. Sanford says you should use Free File with tax software or online forms. Log on to www.irs.gov/freefile and you will find Free File Fillable forms, the digital version of the IRS paper forms. If your income is not more than \$57,000 per year, you can access free tax software.

Last year, 106 million taxpayers filed their taxes electronically. When preparing your tax returns, you can do it yourself or engage the services of a tax preparer company or certified enrolled agents. In addition, the IRS annually sets up volunteer sites all over the country to help with tax filing for those like the elderly and impaired. Many tax preparers are now required to use e-file. If you owe taxes, you have payment options to file immediately and pay by the tax deadline.

If you e-file and opt for direct deposit, you will receive your tax refund within 14 days if there are no problems. Some people have even received their tax refunds within 10 days. This sure beats waiting for a check in the mail, which is another strong reason to e-file.

Lastly, be sure you double check your Social Security number and all the math calculations in your filing (especially if you make paper filings). If your Social Security details are not in synch with the information the IRS has on file, it will delay your submission process and your refund also. And if you make paper filings, you should ensure that your address is correct and look up where to file your returns (visit www.irs.gov). Make sure the financial institution routing and account numbers in your tax return are accurate. You wouldn't want any unnecessary delays in your tax process.