April 5, 2010

IRS Attorney in 33606 With a Friendly Reminder (Part 1)

The last thing you want to happen with your income tax returns is for something to go wrong. With the April 15 deadline coming up, it can be easy to make costly mistakes. Here are 10 potential mistakes I'd like to remind you of:

1. Name and Social Security number do not match.

It would be highly unlikely you would get your own Social Security number wrong, but it is probable that you could get one of your children's numbers wrong. In 1987, the government made it mandatory for parents seeking tax credits for child relief to submit their children's Social Security numbers along with their tax returns. But if you slip up in getting the Social Security number of your child correct, it will likely result in delays to your refunds or worse still a rejection of your child tax credit, the child and dependent care credit or the earned income tax credit.

Likewise, if you have gotten married and changed your name, you should notify the Social Security Administration before making your income tax filing.

2. Wrong Bank Account Number

A bank account number is usually too long for anyone to bother memorizing. And if you choose to receive your refunds through direct deposit, it can be wrongly stated in the forms. Even if you submit your returns electronically, this mistake is possible. To potentially complicate things even more, this year you can opt for your refunds to be deposited in up to 3 accounts. This includes an individual retirement account. Furthermore, you also can use your refund to buy inflation-adjusted savings bonds.

With more options come the increased chances of making mistakes.

3. Forgetting your Charity Donations

Not all charitable organizations write letters acknowledging your contributions to them. And especially when you make regular donations throughout the year, it is easy to forget to include these donations in your tax returns. So it is important to evaluate your check buds, bank statements and credit card statements for the contributions you have made to charities and submit them as claims to offset your taxable income.

4. Omitting to Deduct Tax Breaks

Whether you itemize your deductions or not, you would be eligible for certain tax breaks such as the tax break for the purchase of a new vehicle. If you bought a new vehicle between February 16, 2009 and January 1, 2010 you are eligible to deduct taxes on up to $49,500 of the purchase price of the vehicle.

Another tax break you are entitled to is the State and Local Property tax break. If you have already paid off the mortgage on your home or do not have enough mortgage interest to itemize, you can increase your standard deduction by $500 (or $1,000 if you are married) to cover your property taxes. What's more this tax break does not only apply to your principal residence.

I will continue with more reminders of potential mistakes you could make in your tax returns in my next article.

Darrin T. Mish is a veteran, nationally recognized tax attorney who has focused on providing IRS help to taxpayers for over a decade. He regularly travels the country training other attorneys, CPAs and enrolled agents on how to handle their toughest cases with the IRS. He is highly ranked among the top attorneys in the country, with an AV rating from Martindale-Hubbell and a perfect 10 on Avvo.com. Martindale-Hubbell has also honored him with a listing in their Bar Register of Preeminent Lawyers. He is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. With clients on every continent but Antarctica, he has what it takes to solve your IRS problems no matter where you live in the world. If you would like more information about his practice and how he can help you, please call his office at (813) 229-7100 or toll free at 1-888-GET-MISH.