

# Tax Time Organization is Key to Peace of Mind



Preparing your taxes can be intimidating, but a little organization during the year is the key. Try not to wait until the last minute, especially if you are filing online for the first time – it always takes longer than you think (*been there, done that, paid the penalty*). If you need an expert, call a certified public accountant, H&R Block website ([www.hrblock.com](http://www.hrblock.com)) or IRS website ([www.irs.gov](http://www.irs.gov)). They have a user-friendly website at [www.hrblock.com](http://www.hrblock.com) for just about any tax filer. They provide step-by-step guidance at whatever level you need and some of the advice is free. If online isn't your preference, go to any H&R Block location near you. Any new tax software or filing online will require copious amounts of patience so leave plenty of time so you don't miss the filing deadline. Let's break it down:

## Getting organized:

- Gather supplies: computer, calculator, pencil with eraser, blank tablet, favorite snack, stapler, favorite drink, and paper clips.
- Gather all receipts and paperwork and your tax return from the previous year.
- Go to the IRS website at [www.irs.ustreas.gov](http://www.irs.ustreas.gov) and choose the way to e-file for free.
- If you want to fill out your forms before you go online, print out forms and publications from the IRS website at [www.irs.gov/Forms-&-Pubs](http://www.irs.gov/Forms-&-Pubs).

## Donations and Deductions:

- Cash donations. You must have a cancelled check or donation receipt from the charity. View *IRS Publication 526: Charitable Contributions* online for guidance.
- Non-cash donations. If you cleaned out clutter (and CRAP) and donated items last year, estimate fair market value for those donations. For valuation lists go to *IRS Publication 561: Determining the Value of Donated Property* online, Goodwill Industries website [yourgoodwill.org](http://yourgoodwill.org) or Turbo Tax will calculate value for you.
- Not all charities send a confirmation statement or letter of your gift when the contribution is less than \$250. Review your check records or credit card statements for any forgotten charitable donations.

## Get organized for next year:

- Keep old tax returns in the attic or basement, and the most recently completed tax return easily accessible. Keep old electronic files on a separate flash drive or in an electronic folder under 'old taxes' by year. The IRS has up to three years from the due date of the return to audit your tax return. If the IRS finds an error and your tax is understated by 20% or more, they can go back seven years.
- Develop a filing system that is simple. Keep a tax file folder to insert deductions, tax payments, and charity contributions during the year – preferably where you pay your bills or where you sort your mail.
- If you write checks manually, document the purpose on the check register. Highlight or circle cash donations on the check register as you go, so they are easier to spot at tax time (*this is my method*).

## Credit Reports:

- Check your credit report annually at tax time. For a free credit report and access to all three credit agencies, go [AnnualCreditReport.com](http://AnnualCreditReport.com) or [CreditKarma.com](http://CreditKarma.com). Put the Credit Karma app on your phone to monitor weekly.
- For access to each credit agency go to: [transunion.com](http://transunion.com), [experian.com](http://experian.com), or [equifax.com](http://equifax.com). Or call: TransUnion (888) 909-8872; Experian (888) 397-3742; or Equifax (800) 349-9960.

Take time to get organized to file your taxes for smooth sailing. Planning ahead and having the necessary documents on hand gives you peace of mind. *Disclaimer: This information is not meant to be all-inclusive. Any questions should be directed to your tax accountant or [irs.gov](http://irs.gov).*

*"If you think getting organized is time consuming, try disorganization."* Jeff Davidson, time management expert

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