

## Prepare for Tax Season Now



With 2016 already upon us, tax season will be here before you know it. There are several things you can start doing today to make April 15, 2016 as easy as possible. The Internal Revenue Service (IRS)

expects to receive at least 150 million individual income tax returns this year. Listed below are tips to help make filing your taxes a painless experience.

### Organization is Key

The first step to filing your taxes is to gather the necessary forms. While you should get a W-2 from each workplace where you've received a salary and a variety of other government forms—including 1099 for interest earned and 1098 for mortgage interest paid—in early February, you can start now by gathering records of deductible expenses from throughout the year. Creating a file for all tax-related documentation will help come crunch time.

### Use the Free File Program

The IRS offers the Free File program available at [IRS.gov](http://IRS.gov) every year. This program opens for taxpayers in mid-January, and it provides two options. The first option is brand-name software, provided by IRS commercial partners, that is available to individuals and families with incomes of less than \$60,000. The second option, which is available to all income levels and is especially helpful to those who are comfortable completing their own return, is the online fillable forms. This is the electronic version of IRS paper forms.

### Deduct, Deduct, Deduct

Taxpayers often overlook deductions, which is the equivalent of giving away money. Many people are familiar with the child and dependent care credit that can be claimed if you've paid a provider to care for a dependent while you've either worked or looked for a job, but there are quite a few others. Additional credits include charitable contributions paid through payroll deductions when employees retain pay stubs as proof; job search expenses for costs such as travel and resume printing; and the earned income tax credit for families with lower incomes.

### Beware of Scammers

Scam artists and unethical tax preparers come out in droves during tax season. The IRS will never email you

to ask for confidential financial information so be aware this is a phishing scheme. Additionally, steer clear of tax preparers who earn commission based on the size of your refund. This is incentive to inaccurately fill out forms, which puts you at risk with the IRS. Always ensure your tax preparer guarantees to pay penalties resulting from filing errors.

### Pass on Tax Refund Loans

While some tax preparers may offer tax refund loans or other immediate refund programs, you won't get your refund that much quicker. Plus, these providers skim a percentage of your return off the top for the convenience of getting your refund a few days sooner. The IRS expects to issue more than 90 percent of refunds within 21 days. To ensure the expediency of your tax refund, electronically file your refund and choose direct deposit. The IRS reports that more than three out of four refund recipients will go this route. For comparison, paper returns will take a minimum of seven weeks for refunds to be issued.

Lastly, remember that under the Affordable Care Act, individuals and families will face fines if they did not have health insurance in 2015. These fines will increase every year and are already much higher than 2014, so make health insurance a priority.

If April 15 comes around and you're still not prepared to submit your tax return, you can file for an extension. Particularly if you expect to receive a return, it is important to be thorough in your documentation. If you need more time, the IRS will give you six more months—until October 15—to finish filing if you complete the 4868 form by April 15.

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