



tips and tricks

TAX PREP

preparing for an unprecedented tax season

Understanding what you need for tax season can, at times, be stressful and time-consuming. Well, I am going to share with you some tips and tricks to help take out the stress of tax filing so that you have less to worry about once that time comes! Taxes always sound like a lot of work, but they don't have to be.

Tips

- **Keep Good Records**

Keeping good tax records can be easy, here are a few tips to help you stay organized throughout the year. The first step in efficient record keeping is to track your tax-deductible expenses as you incur them throughout the year. This includes all business expense receipts, child care receipts, medical expenses, etc. If you don't keep track of your expenses and their related documents, it will be much more difficult for you to find specific amounts and information that could have otherwise been easy to find if you had kept track of them. We will have a whole blog on this subject coming soon!

- **Organize Your Tax Paperwork**

Well-organized records help make it easier to file your tax return and if you are ever audited or receive a notice from the IRS, it helps make the process of responding overall less stressful. This applies to every taxpayer, self-employed or otherwise. If you already have a file on your computer that holds all your tax information in organized folders OR have a filing cabinet to keep them organized, then that is great news for you. You can go ahead and skip this tip! But if you're one of many who just have a bin full of tax documents and receipts, then that is not the way to go. You know that when tax time comes, you will have to pull it out and scrimp to look for the necessary tax documents. I PROMISE THIS WILL HELP. Keeping organized documents can be easy if you come up with a system that works for you and stick with it. You want to continue that process as you receive more paperwork throughout the year. Backing up your files to a computer is a great way to avoid losing or misplacing documents.

- **Hire a Tax Professional**

If you don't want to worry about having to file the taxes yourself through companies like TurboTax or H&R Block, I suggest getting a professional to do the work for you. A lot of the stress comes from the thought of having to do

it yourself, just because YOU THINK you are going to save a little more money and time doing it that way. In reality, you are not. In most cases, the fees (especially the hidden ones) you pay those companies is probably around the same OR LESS than the cost of working with a tax professional. As for the time spent, it will be 10x quicker to have a professional preparing the IRS documents, because they have the knowledge necessary to assign the correct figures and expenses in the appropriate areas to avoid audits that may be triggered due to erroneous mistakes!

Even considering these small tips and tricks can make a difference in the stress level that you may have during tax time.

Tricks

- **Ask Questions**

If you already have a tax accountant or, after reading above, will be getting one, then I suggest you ask them any questions that you may have about your specific circumstances. Ask questions such as where can I save money in taxes and/or how can I get a bigger refund. Don't be afraid to ask and wonder what exactly they are doing with your information. Don't be afraid to ask and understand exactly what they are doing with your information, or possibly how they are storing your documents for top-level security. It is good to be aware of this information so you can decide if this tax professional is the right person for you. You may ask questions about specific deadlines or getting audited. They should know the answers to these questions!

- **Note to self about receiving your W2 or 1099 form**

Depending on your job, you should either expect to receive a W2 or 1099 misc/NEC from an employer. A W2 is what most people will expect if they have an employer/employee relationship at their job. A 1099 misc/NEC is given to independent contractors/self-employment individuals.

I hope that these tips and tricks are helpful to you in your tax filing endeavors.

Till the next blog! :)