

8 KEY TIPS FOR FILING YOUR TAX RETURN

Before you file, read over these tips to cover all the angles.

1. **Filing an extension:** Filing an extension does not mean you have an extension to pay. If you do not pay the tax you owe on the due date, you will pay interest and may have to pay a penalty.
2. **Document charitable contributions scrupulously:** Charitable contributions are getting more scrutiny from the Internal Revenue Service (IRS), so if you claim them as itemized deductions, be sure you have written acknowledgement from the charitable organizations for contributions of \$250 or more. The letter must include the name of the organization, description of the property or cash contributed, the value of any goods or services received in exchange for the contribution or the statement “no goods or services were received” and the date of the contribution. Contributions can only be claimed if they are made to qualified organizations. Use the IRS Exempt Organizations Select Check website to confirm an organization is qualified. If the organization isn’t listed, you can contact the organization and ask for its most recent 501(c)(3) determination letter. If your contribution is for less than \$250, be sure to keep a precise record to support your donation.
3. **Fewer taxpayers will have to amend returns:** Incorrect information returns, such as Forms 1099 and Schedules K-1, have been a major reason taxpayers have to file amended tax returns. Now, taxpayers who receive corrected information returns after filing their taxes will not have to amend their returns if the error is no more than \$100 in income or no more than \$25 in withholding or backup withholding. Information returns with these de minimis errors will be considered as having been filed with the correct information.
4. **ID theft is still a big risk:** Tax season is bonus time for identity thieves. Vigilantly protect your personal and financial information. Never send your tax return information to a tax preparer electronically unless it’s encrypted or is being submitted to the preparer through a secure portal. Shred draft copies of your tax return. Be wary of phishing scams that may take the form of a phone call, email, text or post on your social media account from an institution you’d normally trust. The IRS’s first contact with a taxpayer is always with a mailed letter. It is very rare for the IRS to call you asking for information. If you receive a call from the state or federal taxing authorities, ask for the employee’s name and employee identification number, then call back to check on their credibility before offering any information over the phone.
5. **Private debt collectors are on the job:** The IRS uses private debt collectors for certain overdue federal tax bills. Taxpayers whose tax debts are turned over to the debt collection agencies will receive a letter from the IRS to let them know, and the debt collection agency will send another letter confirming that it is responsible for collecting the debt. The collection agencies are allowed to identify themselves as IRS contractors and must follow the rules under the Fair Debt Collection Practices Act. Any checks should be paid to the U.S. Treasury, not the private debt collection agency. If you have an outstanding federal tax bill, consider contacting the IRS to apply for an online payment agreement, to make an offer in compromise or to request a temporary delay in collection. It’s often wise to consult a tax professional who has experience with these programs if you’re in this situation.
6. **Some ITINs have expired:** Taxpayers who use an Individual Taxpayer Identification Number (ITIN) may need a new one. ITINs expire if not used on a federal tax return at least once every three years. And, beginning in 2017, all ITINs issued prior to 2013 will have to be renewed on a rolling renewal schedule. If you’re in this situation, submit your application for renewal (Form W-7) and the required documentation now or attach the forms and documentation to your federal tax return. Filing your tax return without a renewed ITIN or without the renewal application will result in an adjustment to your return as filed. The return will be processed, but no refunds will be issued or credits claimed on the return will be denied. If tax is owed as a result of these adjustments, interest and penalties may be due. Read more about expiring ITINs at [IRS.gov](https://www.irs.gov).
7. **Get Your Answers From the IRS.** The IRS offers an Interactive Tax Assistant that can provide you with many tax law questions to help ensure you are filing and paying correctly. This website has a list of the topics covered as well as a link to the tool.
8. **Choose your tax preparer wisely:** If you decide to hire a CPA or other tax professional to prepare your taxes, get referrals, verify their credentials, check to see if they have any consumer complaints filed against them, interview them and ask them how they bill and inquire about how they secure their clients’ financial information. Make sure they have an IRS Preparer Tax Identification Number (PTIN). It’s required by law. If they don’t have one, walk away. Other red flags when looking to hire a tax preparer include not asking to see your prior year’s return, refusing to tell you how they bill, suggesting a tax credit or deduction that makes you uncomfortable, asking you to sign an incomplete or blank return or wanting your refund to be deposited into their bank account instead of yours.