



April 24, 2011

Making Tax Filings Easier

Do you find it difficult to prepare your taxes every year? Or do you always have to rush to beat the submission deadline? Perhaps it's time to make some changes to your tax submission habits.

If you find yourself always rushing to beat the deadline for tax submission it might be because you habitually procrastinate, try to do it all yourself or are disorganized in keeping records of your income and expenses. The solution to all this is quite simple – hire some help. If your taxes are pretty straightforward, often all you'll need is a bookkeeper who can manage your accounting for you and prepare your taxes when the time comes each year.

Alternatively, you may want to engage an accountant or a tax attorney to help you with your taxes. Often, a tax attorney will be able to save you money on taxes because we know how to use the tax laws to your advantage.

If you have obtained an extension to submitting your taxes, you can still hire some help to submit your taxes before the extended deadline, which are September 15 for corporations and October 17 for individual taxpayers.

If you receive a letter from the IRS, don't panic. It might not mean you are

being called for a full audit. Generally, the IRS has up to 3 years to question your tax submission. More often than not, a letter from the IRS means they are requesting for information or clarification on some items on your return. For example, when the IRS cannot match the income on your return with a Form 1099 from your employer, you would get a letter from the IRS seeking clarification.

Remember if you make an amendment to your tax submission (for example if you insert a source of income you omitted earlier), the 3 year time limit for the IRS to question your tax submission re-starts from the date you file your amendment. Amendments to your return can be done using IRS Form 1040X, Amended US Individual Income Tax Return or Form 1120X Amended US Corporation Tax Return. If you are a partnership, you should re-file Form 1065, US Return of Partnership Income.

The IRS uses computers to detect discrepancies and anomalies. For instance, if you are a typical salaried worker but you spend a high amount of money on gifts and meals like a business owner does, the computer will pick this up and you might receive a letter from the IRS requesting to see your receipts.

So if you do receive a letter from the IRS, it is wise to consult a tax attorney. Call us at (813) 229 7100 for a free consultation on your tax issues.