



March 22, 2010

To DIY or not DIY Tax Returns to the IRS (part 2)

As stated in our previous article, some people would choose to file their own taxes whereas others would seek the help of tax preparation agencies like H&R Block. Obviously, you should take the option that would ensure a correct and proper filing of your taxes in the quickest possible time. If you are in the process of choosing between the DIY route or getting an expert to make your tax returns for you, here are some things you should consider in making your decision.

If you moved house or worked in another country at anytime last year, chances are there would be more complications than normal because of differences in the states. You likely have to still report your earnings to the state you came from and yet report also to your new home state. Likewise, with working in another state there are issues involved which only a professional would be able to guide you through.

If a major change has taken place in your life such as a divorce, a marriage, retirement, retrenchment, a birth of a child or adoption, it may significantly affect your tax situation. In such a case, it would be more prudent to engage a paid tax preparer.

Making certain claims or deductions under new laws such as the American Recovery and Reinvestment Act (ARRA) 2009 might entail certain considerations you may not be familiar with. For example, under the ARRA, claiming the homebuyer credit means you cannot file your taxes electronically, as you have to provide certain documentary evidence of the home purchase. These benefits are fairly straightforward but because they are relatively new, making these extra claims and deductions may lead to mistakes you cannot afford to make in your tax returns.

If you own non-traditional investments such as deposits with hedge funds or offshore bank accounts, you need to ensure that proper reporting is done. It would be better to consult with an experienced tax preparer in such cases.

Lastly, if you cannot spare the time to make your own filing or if your time is more worthwhile spent on other profitable ventures than preparing your own taxes even with the help of computer software, then the wisest thing to do would be to engage the services of a tax preparer.

Whichever choice you make, do so weighing all the pros and cons in a practical way.

Darrin T. Mish is a veteran, nationally recognized tax attorney who has focused on providing IRS help to taxpayers for over a decade. He regularly travels the country training other attorneys, CPAs and enrolled agents on how to handle their toughest cases with the IRS. He is highly ranked among the top attorneys in the country, with an AV rating from Martindale-Hubbell and a perfect 10 on Avvo.com. Martindale-Hubbell has also honored him with a listing in their Bar Register of Preeminent Lawyers. He is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. With clients on every continent but Antarctica, he has what it takes to solve your IRS problems no matter where you live in the world. If you would like more information about his practice and how he can help you, please call his office at (813) 229-7100 or toll free at 1-888-GET-MISH.