

January 16, 2011

Top Ten Tax Tips from IRS

Tax season has started and it'll be time to submit your tax returns before you know it. Last year we saw a significant number of laws passed that gives you the opportunity to get tax breaks and benefits. So you should claim your tax breaks or benefits wherever they apply to you. All this is done through the tax return that you submit.

Here are the IRS' top ten tax tips for this year:

1. Gather all relevant documents

It's time to go through all your documents and collect the ones you need for submission – official receipts, cancelled checks, pay slips and other documents that support your claims for tax deductions.

2. Get the tax forms

All the tax forms you need to fill up (W-2's, 1099's) are available for download from the IRS website, www.irs.gov. If you are using the services of a tax preparer, you would be able to obtain all your tax forms through them also.

3. Avoid doing it at the last minute

The start of the tax season is a good time to start working on your tax

return. If you do it early, you will avoid making mistakes. Mistakes will slow down the processing of your return.

4. File online

Last year, about 70% of taxpayers filed their income tax returns online. IRS e-file is safe, fast and convenient. Beginning from this year, many tax preparers will be required to use e-file and they will explain the requirements to you.

5. Explore other ways of filing

Besides filing your returns online, you can do it manually through the mail by yourself or engage the services of a tax preparer. If eligible, you may also qualify for free face-to-face help at an IRS office.

6. Choose direct deposit refunds

There are numerous advantages in direct deposit refunds over a paper check refund. Direct deposits are safer, faster and more convenient. A less direct advantage would be that direct deposits are better for the environment. So change your options and go for direct deposits.

7. Check out the IRS website

The IRS website keeps you updated on all the tax-related news. This is where you can also obtain all the forms that you need, publications that clarify certain issues you may be facing, information and FAQs. So do keep in touch with the IRS by logging on at least once a week.

8. Look up IRS Publication 17

IRS Publication 17 is the official Federal Income Tax guide. This should be your starting point in understanding all you need to know about being a responsible taxpayer.

9. Double check your information

When you fill up your tax return forms, always double check the information you put down. Check your Social Security number, and go through your calculations to avoid mistakes.

10. Seek help if needed

If you make mistakes, seek help from the IRS. You can contact them through their website or call toll-free 800-829-1040.