

Uncle Sam is Ready...Are You?

Organizing Tips for Tax Time

Organizing tax-related documents is not just a project for the evening of April 13th. Good tax organization is a year-round process. Some pitfalls of being disorganized at tax time: Risk of misplacing important receipts/documents, stress from the mad dash to the tax preparer/post office on April 14th and your tax preparer may charge more money if they have to spend time wading through your piles of loose receipts. How to remedy these tax-time situations? Prepare now for next year by getting organized!

Set up an all-year round file system

Designate a box, accordion file, or file cabinet for year-round paper storage and retrieval. Create folders for receipts, credit card and bank statements, anything you have spent money on or need to keep track of for tax purposes. This is beneficial not only for tax time but for when you have to retrieve certain papers throughout the year.

Give your tax-related papers a home

Every January, our mailboxes become flooded with documents necessary for filing your taxes. At the beginning of the year, designate a large envelope or box in one area of your home or a file in your file cabinet for these papers. Examples of these are: W2's, 1099's, receipts for charitable donations, and statements pertaining to mortgage interest, bank interest, real estate tax, and investment.

Sort and create categories for your papers/receipts

By early February you should have received all paperwork necessary to complete your taxes. Take your file of collected papers and sort them by category. This process will enable you or your tax preparer to quickly locate your papers and receipts. Some basic categories are: salary, real estate, medical, childcare and investments.

Save your tax preparer aggravation by throwing away the envelopes that your statements came in and tear off the perforated edges from your income statements. Group the documents into the categories you've created and paper clip them together. Place all of these papers in a folder or large envelope.

Call your tax preparer early

If you're using a tax preparer, call in January to schedule a mid to late February appointment. This forces you to organize and compile all the necessary information by that date. Also, accountants get very busy as April 15th approaches. You don't want an exhausted accountant doing your taxes...

Being organized at tax time will give you greater control over the tax preparation process. Instead of feeling overwhelmed, you will feel a sense of calm and accomplishment. Instead of frantically searching for documents you will be able to produce them at a moment's notice. Instead of your accountant cursing your name, he/she will sing your praises when you present them with an envelope of organized papers and receipts.

The sooner you get organized for tax time the sooner you may get that big refund check. If that's not motivation enough, I don't know what is...

– Stacey Agin Murray, ArticleCity.com

red fish

revolutionary dining

Red Fish wine cellar boasts over
1,000 bottles from around the
world to compliment your meal.

~~~~~

Wine Spectator  
The Best of Award of Excellence  
2004

~~~~~

Voted Favorite Place for a Business
Lunch by Monthly Readers!

Bar & Retail Wine Shop

Open for Lunch Mon. thru Sat.
& Dinner Seven Days a Week

Corner of Archer & Palmetto Bay Road
(845)686-3388