



*CWR Monthly*

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### *Early Filing Season Tax Tips*

As we begin a new tax filing season, it can sometimes get overwhelming to consider all the things you need to do to get ready to file your tax returns for the previous year. Questions like:

- What Information do I need?
- Who should I get to prepare my tax return?
- Should I E-File my return?
- When is the best time to schedule a tax appointment?
- How much will it cost me to get my return prepared?

Should be the preliminary questions you ask as you prepare for the new tax filing season. The following are some tips that the IRS has put together to help you in this preparation.

#### **1. Gather your records**

It's never too early to start getting together any documents you will need when filing your tax returns. Receipts, cancelled checks, and other documents that support an item of income or deduction you are taking on your return. As a guide to which documents you may need to prepare your tax return, please see my tax organizer on my website at [www.cwrtax.com](http://www.cwrtax.com). Feel free to download and print this organizer to assist you in getting your information together.

#### **2. Choose the right Tax Preparer**

While most preparers provide honest services to their clients, you should be extremely careful when choosing a new preparer – As careful as you would be in choosing a doctor or a lawyer. Even if someone else prepares your tax return, you are ultimately responsible for all the information on the return. For that reason, you should never sign a blank tax form. You should review the return before signing it and ask questions on entries you don't understand.

## **Helpful hints when choosing a Return Preparer**

- Be cautious of tax preparers who claim they can obtain larger refunds than other preparers.
- Avoid preparers who base their fee on a percentage of the refund.
- Use a reputable tax professional who signs the return and provides you with a copy.
- Determine how long the preparer has been in business and whether they operate their business on a year round basis.
- Check the preparer's credentials. Only attorneys, CPA's, and EA's (Enrolled Agents) can represent taxpayers before the IRS in all matters, including audits, collections, and appeals. Unlicensed preparers may only represent you for audits of the return they actually prepared.
- Ask friends and family whether they know anyone who has used the tax professional and whether they were satisfied with the service they received.

Reputable preparers will ask to see receipts and will ask multiple questions to determine whether expenses, deductions, and other items qualify. By doing so, they are trying to help their clients avoid penalties, interest, or additional taxes that could result in an IRS examination.

### **3. Consider E-File and Direct Deposit**

With the emphasis of going to a paperless tax return process, the IRS encourages tax professionals to offer E-File services to their clients. The advantages of E-Filing your tax return are:

- Faster Refunds
- Greater Accuracy
- Secure and confidential submission
- No paper return to mail
- File now, pay later
- Quick confirmation

By choosing to direct deposit your refund instead of choosing to receive a paper check, you can speed up your refund by as much as four (4) weeks. Ask your tax professional if he/she is an authorized E-File provider. Doing so can simplify the filing process and speed up receiving your refund.

### **4. Schedule your tax appointment early in the filing season.**

The earlier you schedule your tax appointment the faster turnaround time you can have your tax return prepared. Generally, as tax season heats up, critical deadlines for businesses often take precedence over individual returns. To get the fastest turnaround time on your return preparation, try to schedule your tax appointment in early February.

### **5. Don't let price be a factor in choosing a tax professional**

The final consideration in choosing the most qualified tax professional to prepare your return should not be the fee he/she charges. Very often, it is the first question that a new client asks. The problem with shopping for a tax professional by price is that you usually get what you pay for. A true tax professional will earn his/her fee by finding deductions, suggesting beneficial tax planning advice and guaranteed accurate work. This is because the true tax professional invests in continuing education programs that will ensure that he/she is knowledgeable of the latest tax changes. To save yourself the most money in the long run, seek out the services of a credentialed tax professional that provides the highest quality service to you.

Next month, we will look at some Mid Filing Season Tax Tips that could help you as you prepare to file your tax

return.

Till Next Time,

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