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Ugh! It's Tax Time!

By: Jacky Kennedy Sisson, Surrey's Daily Money Manager

Getting the taxes done does not need to be so taxing every year. With some organization throughout the year, the task can be much easier. Make a tax folder in January and place the following items into the folder during the year:

- Receipts for charitable donations and a sheet of paper for listing the donations- Keeping a master list will make it easy to add up all the deductions at the end of the year. If there is an organization to which you give frequently, such a weekly church offering, then ask for a report of your giving at the end of the year, rather than list each donation.
- Medical and dental bills and receipts for co-pays- Again, keep a sheet of paper to list the expenses as they are incurred. Generally, it is easier to skip prescription expenses and simply obtain a printout from the pharmacy at the end of the year.
- Receipts/ statements for other deductions –These deductions include property taxes, mortgage interest, etc.
- All 1099Forms for income earned during the year- The forms are received in January of the following year.
- Any other Tax related information

Always start the tax return as early as possible to reduce the stress of working under a deadline. If you use a tax preparer, then get all the information to them when it is complete. Not only does this allow for plenty of time to review the return, but also time to determine the source for paying any taxes that may be due.

If you have a computer, tax software can make the tax prep process much easier. Programs, such as TurboTax will ask questions in an interview style, so you simply answer a series of questions. The program then enters the information into the tax form, so you don't have to go through this process. Preparing tax returns on the computer also eliminates any math errors.