

**Tennessee Society of CPAs**

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**FOR IMMEDIATE RELEASE**

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**Don't Make These Common Tax-Time Mistakes!**

You gather all your paperwork, finalize your tax return and you're ready to go. But just as you're about to send it off to the Internal Revenue Service, you wonder, "Should I check my math again? Did I take all the deductions I should have?" As taxpayers scramble to complete their tax paperwork and get it in by next month's deadline, the Tennessee Society of CPAs offers these do's and don'ts that will help minimize your tax filing headaches.

**Do Check Your Facts**

The Internal Revenue Service reports that some of the common errors it sees on tax returns include wrong or omitted Social Security numbers, math mistakes, misspelled names and forms that aren't signed or dated. Taxes can be stressful, but if you take a deep breath and review your work before you send it, it could save you time (and possible penalties) later.

**Don't Overlook Additional Income**

Most taxpayers are used to getting a Form W-2 from their employers in January reporting their income and withholding for the previous year. However, you may also receive other statements if you performed any freelance or consulting work during the year (Form 1099-MISC) or if you earned money from savings or investment accounts (Forms 1099-DIV or 1099-INT). If you fail to include this income on your return, you could end up paying penalties and interest.

**Do Get Organized**

Whether you're filing an individual return or one for a small business, it's always easier when your documents are in order and easy to access when you need them at tax time. Having your paperwork on hand makes it possible to identify possible deductions for which you qualify and document your eligibility to take them. It will also make it easier to spot income or other items that should be reported on your return so that you can avoid penalties. An added bonus: Good documentation of your investments and other financial transactions will help you better manage your personal or business finances. And if you're ever audited, you'll be ready with the paperwork you need.

**Do Deduct Donations**

You know that cash you give to charities is typically deductible, but don't overlook other donations that can also add up. That may include the value of clothing, furniture, food or even cars that you give to an organization to help support a good cause. To claim the deduction, be sure that the donation is made to

a qualified organization and be ready to document the current fair market value of any non-cash donations.

### **Don't Fail to File**

You must file a federal income tax return if your income is above a certain level, which varies depending on your filing status, age and the type of income you receive. Even if you believe you don't owe taxes, that you aren't eligible for a refund or you don't have the money to pay your taxes, it's important to send your return to the IRS in time for the deadline. If you don't you could face a penalty, either for failing to file, failure to pay or both. Here's another incentive: In a recent year, the IRS announced that it was holding \$1 billion in tax refunds that were due to people who hadn't filed their returns. The median check awaiting these taxpayers was \$698, and they came from every state as well as the District of Columbia. Whether it's a matter of avoiding a penalty or getting a nice refund, there are many good reasons to be sure your return is in on time.

### **Your CPA Can Help**

Seeking a great way to de-stress your tax season? Turn to your local CPA. He or she can help you navigate the challenges of filing an accurate and complete return and offer valuable advice on tax and other financial planning concerns.

### **About Money Management**

Money Management is a column on personal finance that is a joint effort of the AICPA and the Tennessee Society of CPAs, as part of the profession's nationwide 360 Degrees of Financial Literacy program. Members of TSCPA are CPAs residing and practicing primarily in Tennessee in all areas of public accounting, education, government, business and industry. TSCPA offers a speakers bureau for many types of business and educational engagements. For details, visit [www.tscpa.com](http://www.tscpa.com). TSCPA is headquartered in Brentwood, Tenn.