

# 7 Ways to Make Tax Time Easier



The countdown is on for Tax Day. Cue the groans. But you can enter April with a spring in your step – and extra money in your wallet – by using these seven tips to make tax time easier.

## 1. Figure out all the tax deductions or credits you might qualify for.

The first step is to make sure you're not leaving any money on the table – which you might be if you don't itemize. Tax payers who itemized claimed [\\$1.2 trillion in savings](#) due to

tax deductions, while those who took the standard deduction only claimed about half that at \$747 billion. It could well be that those who stuck with the standard figure shortchanged themselves.

Here are some categories you might not have thought of:

- State or [federal tax credits](#) for energy-efficiency improvements – Note that many of the credits that had expired in 2016 have since been renewed.
- [Mileage for volunteer work](#), at the rate of .14 a mile
- [Moving expenses](#) if you moved more than 50 miles away for a new job
- [Childcare credit](#), which can include not only daycare, but babysitters and even summer camp

## **2. But don't take any tax deductions you can't prove.**

Yes, you need a “paper trail,” which means receipts for business lunches and other expenses that you are trying to write off. And be especially careful about the home office deduction – setting up your laptop at the kitchen counter doesn't cut it. The IRS specifically states the office must be for [“regular and exclusive” use](#) to qualify for the deduction.

## **3. Get your paperwork in order.**

If you're paying someone to do your taxes, it pays (literally!) to have your information at the ready: [A survey from the National Society of Accountants](#) found that three-quarters of tax preparers charged an average of \$117 for disorganized or incomplete paperwork.

Here are some examples of the [backup you should pull together to support your tax return](#):

- W2s

- Receipts for healthcare or dental work, plus prescription costs not covered by your health insurance
- Details on your investment contributions, including debts if you intend to write them off as losses
- Letters that prove your charitable donations in excess of \$250
- Receipts that support all your write offs, as mentioned in No. 1, such as childcare costs, moving expenses, and energy-efficient home improvements
- Other paperwork as applicable to your situation

If all this paperwork seems arduous, take heart that this could be the last year you'll pore over your deductions so carefully. That's because [the standard deduction for Tax Year 2018](#) is roughly doubled from \$12,000 for single filers and \$24,000 for couples.

## **4. Don't overlook your side hustle income.**

Got a burgeoning business as an Etsy crafter, dog walker, or Task Rabbit? Believe it or not, the IRS wants a piece of that income too, even though you won't be issued a 1099 or W2 documentation to prove it.

[Any income you earn from a side gig](#) should be reported on a [Schedule C form](#). The good news is that you can also deduct any expenses – leashes and dog treats included!

## **5. Decide if you're going DIY or using a paid tax preparer.**

Even among taxpayers making less than \$50,000, [one in three hired someone to do their taxes](#), such as an accountant or tax prep company. However, many might qualify for [IRS Free File Software](#), available to taxpayers earning \$66,000 or less. The IRS estimates that 51.1 million free federal tax returns have

been filed since the software was first introduced in 2002.

Of course, if your tax returns are complicated, a tax preparer can save you time, and possibly even money if they are able to identify credits or deductions you didn't know you were eligible for.

## **6. Vow to do better next year.**

If your March is going out like a lion because you're ripping through your house looking for tax backup, pledge to do better starting today. Whether you file receipts in a shoebox or use [an app like Shoeboxed](#), there's no time like the present to get in order for 2018 to avoid being an April fool yet again.

## **7. Take a breath – you have more time than you thought.**

We saved the best for last. Traditionally April 15 is the last day you have to file your taxes, but [in 2018 you get two extra days](#) – until April 17, thanks to April 15 landing on a Sunday and Washington D.C.'s "Emancipation Day" hitting April 16. And as always, consult a CPA or tax advisor to answer questions unique to your situation.