



TAX TIME TIPS

Whether you're filing taxes for the first time or you're a seasoned pro, having a solid tax game plan is essential. This guide walks you through basic prep, smart planning tips, answers to common tax questions, and includes a handy checklist for reviewing your W-2 and tax return each year.

Tax Prep Basics

Before you dive into tax season, get organized:

- Gather your documents: W-2s, 1099s, student loan interest forms, mortgage statements, retirement account contributions, and charitable donation receipts.
- Check your personal info: Make sure your name, Social Security Number, and address are accurate on all documents.
- Review your filing status: Your filing status affects your tax bracket, deductions, and eligibility for certain credits—make sure you choose the one that best fits your situation:
 - Single: For individuals who are unmarried or legally separated and don't qualify for another status.
 - Married Filing Jointly: For couples who are married and choose to file one combined tax return.
 - Married Filing Separately: For married individuals who choose to file separate returns, often for financial or legal reasons, though it may limit some credits and deductions.
 - Head of Household: For unmarried taxpayers who pay more than half the cost of keeping up a home for themselves and a qualifying dependent, which can offer higher standard deductions and better tax rates.
 - Qualifying Widow(er) with Dependent Child: For a taxpayer whose spouse died in the past two years and who is supporting a dependent child, offering the same tax benefits as married filing jointly.
- Track deductions & credits: Know what you're eligible for. (Think education expenses, retirement contributions, childcare costs, etc.)

Smart Tax Planning Strategies

1. Review Your Withholding

Your paycheck withholding should reflect your current situation. Big life changes (marriage, new baby, job change)? Use the IRS Tax Withholding Estimator or ask your CPA for help updating your W-4.

2. Bunch Your Deductions

Consider grouping deductible expenses—like charitable donations—into a single tax year.

3. Max Out Retirement Contributions

Lower your taxable income by contributing to:

- A 401(k) or 403(b) (limit: \$23,000 for 2025; \$30,500 if age 50+)
- A traditional IRA (may be deductible)
- A Roth IRA (tax-free growth)

4. Give Wisely

Donating appreciated assets (stocks, property) instead of cash can increase your deduction and help you avoid capital gains taxes.

5. Ask Before You Act

Before making major financial moves—like selling property, cashing out investments, or starting a business—talk to a CPA. Tax planning is only effective before the transaction happens.

Common Tax FAQs

How long should I keep tax records?

Keep returns and supporting documents for at least 6-7 years. The IRS can audit up to six years back if they suspect underreporting.

Are scholarships and grants taxable?

Sometimes. If used for tuition and required course materials, they're usually tax-free. If used for room, board, or services (like a TA position), that portion is taxable.

What's the credit for the elderly or disabled?

If you're 65+ or retired due to a permanent disability, you may qualify—if your income falls within certain limits. Check Schedule R on Form 1040 or ask your CPA.

Can I deduct prepaid property taxes?

Only if:

1. You're a cash-basis taxpayer,
2. The tax was assessed in the year you paid it,
3. It's not considered a "deposit" in your jurisdiction.

Note: The state and local tax (SALT) deduction is capped at \$10,000 by the Tax Cuts and Jobs Act (TCJA). It may not benefit you to prepay taxes if you are already over the \$10,000 limit.

What's the difference between these family-related tax credits?

- Child Tax Credit: Up to \$2,000 per child under age 17.
- Family Tax Credit: Up to \$500 per non-child dependent.
- Child & Dependent Care Credit: 20-35% of qualifying care expenses for children under 13 or disabled dependents (max \$3,000 for one; \$6,000 for two+).

Who qualifies for the Earned Income Credit (EIC)?

Low- to moderate-income workers may qualify, depending on income, filing status, and number of children. You must have earned income and meet other eligibility requirements. It's refundable—meaning it could give you a refund even if you don't owe tax.

Where's my refund?

Go to [irs.gov](https://www.irs.gov) and click "Get Your Refund Status." You'll need:

- Your SSN or ITIN
- Filing status
- Exact refund amount from your return

Tax season doesn't have to be stressful. Organize your records, stay informed about changes, and work with a CPA for peace of mind. A little prep goes a long way in helping you save money—and time—when it's time to file.

W-2 & Tax Return Checklist

When reviewing your tax documents, check these items each year:

On Your W-2:

- ☐ Your name and SSN are correct
- ☐ Employer info is accurate
- ☐ Box 1 (Wages) matches your final pay stub (after pre-tax deductions)
- ☐ Box 2 (Federal income tax withheld) is filled in
- ☐ Boxes 12 & 13 for retirement plans, health insurance, etc.

On Your Tax Return:

- ☐ Filing status is correct
- ☐ All income is reported (W-2s, 1099s, etc.)
- ☐ Claimed all eligible deductions/credits
- ☐ Direct deposit info is correct
- ☐ Reviewed for typos, math errors, or missing forms
- ☐ Signed and dated (if paper filing)