

BAINBRIDGE BANTER

SERVING BAINBRIDGE, AUBURN & S. RUSSELL

Vol. 14 No. 15

“Your Community Voice”

Feb. 25, 2005

Timely Tax Tips: Don't let simple mistakes cost you!!

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I received an e-mail from the son of a friend the other day asking for clarification on a tax related question. This is inevitable, especially this time of year, given my occupation, and I welcome the opportunity to share information.

In this particular case, he was wondering why his tax refund was not the same or higher than a friend's, since they have about the same facts on their returns. Now, there are a myriad of possible reasons for this outcome, but I found an error on his return which might have cost him about \$500 if it was filed as it was prepared.

On a similar note, another friend asked me for assistance with her individual income tax return. Upon review of the prior year's returns, it became clear that she forgot to include the child tax credit for her six children. Luckily, we were able to amend the returns in question and obtain a significant refund for her family!

These are just a few of the real life examples of the common, simple mistakes I've encountered recently, which, if overlooked during the preparation of your returns, can cost you significant money. Some things to remember if you choose to prepare your own tax return this year include:

- * Remember to take your IRA deduction, or consider making an IRA contribution, if eligible, prior to April 15

- * Take student loan interest deduction if applicable

- * Consider which benefits you more, the deduction of higher education

expenses or the related education credit

- * If you are an educator, take the deduction for up to \$250 in teaching expenses

- * Compare itemized versus standard deductions, and take the larger of the two

- * Unless you are a dependent on someone else's tax return, take the personal exemption

- * Don't overlook the AMT tax calculation

Also, always update the IRS, State of Ohio and local taxing authorities of your new address if you move. If you change names through marriage or divorce, be sure to update your social security record to reflect your name change, if applicable. Change the name on your tax return to match the name registered with social security.

And, if you are unaware that you may qualify for certain tax credits, such as child tax, child care, retirement contributions, or elderly and disabled, to name a few, you could be passing up tax refunds you are due.

Finally, be advised that there are a number of tax scams out there as well as a number of identity theft schemes - do not give any personal information over the phone or internet. The IRS does not call or e-mail asking for personal information for any reason. All of their contact would be by U. S. mail. Two recommendations to remember regarding tax fraud:

- * Anyone who promises you a bigger refund without knowing your tax situation could be misleading you, and,

- * Never sign a tax return without looking it over to make sure it's truthful, correct and complete.

If you have questions or comments regarding this article, please direct them to Bainbridge resident Cynthia Hatfield,

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