

Taking the Panic Out of Tax Season

A Simple Approach to Preparing for Tax Time

Plan Ahead

- Identify your tax-related income and expenditures
- Keep records of tax-related expenditures, categorizing them as you go – charitable contributions, medical expenses, business-related expenses, etc.
- Keep your own records of any income not included in your year-end tax documents (W-2, K-1, 1099, etc.), such as rent from a rental property or tax refunds.
- Create folders titled:
 - Personal Tax Prep
 - Business Tax Prep (if you have a business)
 - Property Tax Prep (if you own property)
- Into each folder, put ONLY the documents you will need in order to fill out your accountant's Tax Organizer or to back up tax returns should you get audited
- **Personal Tax Prep Folder** – throughout the year collect:
 - Thank you letters or receipts for charitable contributions
 - Receipts for medical expenses (if you can meet the deduction threshold)
 - Medical, dental, prescription, and eyeglasses receipts
 - Receipts for trips to doctors/dentists
 - Medical insurance premiums paid, long-term care insurance paid
 - Medical reimbursements received from insurance companies
 - Tax refunds
- At the beginning of the year, add tax reports showing income and expenses
 - 1099s as they come in from banks, Social Security, and pensions, brokerage firms, mortgage companies, etc.
 - W-2s from place of employment
 - K-1s from trusts, partnerships, etc.

Prepare Your Tax Organizer Booklet (or use it as a guide)

- Review your records and find the sum amount for each category. A program like Quicken can make year-end organizing much easier.
- Look at your Tax Organizer – last year’s numbers are in one column as a guide.
- Now, page-by-page, begin to collect the documents you will need to fill in the amounts in the column for the current year.
- If you have a stock portfolio with a bank or brokerage firm, stock sales do not have to be copied into the Tax Organizer – you can reference the year end information in the bank’s 1099. Just make sure that the document shows the cost of stocks when purchased and the price received when sold, so your accountant can calculate the capital gains.
- If your accountant doesn’t use a Tax Organizer Booklet, following a system similar to that described above will make it easier for you to prepare your tax records and will allow your accountant to complete your return in a timely manner.

Eddy & Schein Group can help with preparing tax documents for your accountant.

If you, or someone you know, could benefit from having a Personal Finance Manager, please contact Eddy & Schein Group for a **free phone consultation**.

Visit our [website](#) or call us: **New York 212-987-1427** or **California 917-881-7042**