



THE MONEY COACH

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IT IS TAX TIME! DO YOU KNOW HOW YOU WILL FILE?

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TAX TIPS: THE THINGS YOU NEED TO KNOW TO MAKE FILING AS SMOOTH AS POSSIBLE!

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"If you want to test your memory, try to recall what you were worrying about one year ago today."

E. Joseph Cossman

HOW SHOULD I FILE?

THERE ARE MANY DIFFERENT WAYS TO FILE YOUR TAXES. WHICH WAY SHOULD YOU CHOOSE? WE WILL LOOK AT THE ADVANTAGES AND DISADVANTAGES OF EACH.



Brick and Mortar Tax Company – These are your H&R Blocks and that one tax place that always has the guy spinning a sign out front. A pretty good chunk of people file using this method with the hopes that this person is a bit more informed than they are. Unfortunately, this isn't always true. You'll pay a bit more going this route, and hopefully that cost comes with a guarantee on their services if something is done incorrectly. Plan to pay anywhere from \$150-300 for this method.

The DIY Method – Some people choose this way because it simply costs you time (and maybe an aspirin or two). However, there are constantly changing tax laws, and you place a great burden on yourself to know and understand them if that isn't your primary occupation or very strange hobby. A common alternative to this is for people to have a friend or relative file their taxes for them. If this is what you choose, make sure to ask yourself – "If my taxes are done incorrectly, who will be the one dealing with it?"

File With an Accountant – Filing with an accountant is the best way to ensure that everything is completed correctly. These are people whose job it is to understand tax laws and be up-to-date on them year round. They are the ones who will likely be available for questions or support in the event of an audit. They are likely to be the most option, but most effective.

With tax season under way, Americans are getting their documents and tax forms together and preparing to file. There are a number of ways to file your taxes, and all of them have their advantages and disadvantages. How should you file? Maybe you've done it the same way for years, but is that the best way? Let's take a look at our options to see if there might be a better way.

Digital Tax Preparation Tool – These are programs like TurboTax that allow you to enter your information directly into the computer. They generally cost between \$30-100 and can be downloaded and used from the comfort of home. The problem with these programs is that they are only as good as their user. If you don't enter the correct information, or you don't maintain the most up-to-date version, you'll get flawed results. The IRS does not accept payment in the form of "Oops!"

Healthy Home Cookin'

Don't eat out, save your money and eat in with this great recipe!

Good For You - Slow Cooker Turkey Meatballs w/ Couscous & Baby Carrots

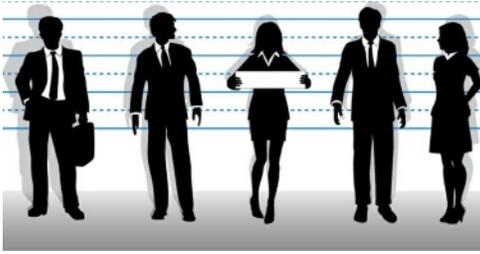
Prep Time - 25 min
Cook 8 hrs 15 min

2 lb ground turkey (or use lean ground beef)
½ tsp garlic powder
½ tsp onion powder
2 Tbsp olive oil 1
(28-oz) can crushed tomatoes 1
(16-oz) pkg frozen chopped spinach, thawed
1 small onion, chopped (optional)
1 tsp dried oregano
½ tsp ground cumin
¼ tsp salt
Mix together turkey, garlic powder, and onion powder using your hands; shape into 1-inch balls. Heat oil in a large skillet over medium heat; brown meatballs, in batches, in hot oil, and place in a 4- to 6-quart slow cooker. Add tomatoes and remaining ingredients. Cover and cook on LOW 6 to 8 hours. Serve over couscous.

2 (5.9-oz) boxes Parmesan couscous
1 lb baby carrots
1 Tbsp lemon juice
1 Tbsp honey
2 Tbsp softened butter
½ tsp ground cinnamon
Prepare couscous according to package directions.
Steam carrots in a small amount of water 6 to 8 minutes until tender. Whisk together lemon juice, honey, butter and cinnamon. Toss glaze with cooked carrots.

Recipe courtesy of eMeals

FROM CHOOSING A PREPARER TO WHAT DOCUMENTS TO BRING EVERYTHING YOU NEED TO BE READY ON TAX DAY



Don't pick one of these guys because you picked the first preparer you saw.

As we've just covered, there are a variety of ways you can file. I recommend filing with a professional tax preparer. Not only will it save you time but it may also save you a lot of headache. Many people choose based solely on the cheapest rates. However, it is important to do some investigating before deciding on the person who you use to file, because sometimes you get what you pay for. Here are some things to look for:

Make sure they have a Preparer Tax ID Number – This is now required by the IRS. If they don't have one, run!

Research their history – Check with the Better Business Bureau for complaints. Skim online reviews, and take all reviews with a grain of salt.

Full-time or Part-time – Steer clear of operations that are open only January through April. If you run into problems, they won't be around to help.

Audit Services – Ask them about what, if any, audit services they offer. Are they part of your normal fee? Do they cost more? Are they offered at all? These are important to know before deciding to go a specific direction.

Audit Experience – Have they had successful experience with audits? If they have had multiple instances of audits going against the taxpayer, that should serve as a red flag.

When you've checked on all these things, you'll have a pretty good idea about whether the person is a good option and you'll be able to feel confident that everything will be handled correctly.

From The Desk of the Accountant

When trying to figure out what information you should bring with you when you go to see your tax preparer, we went straight to the source. Our accountant gave us the list of things you need to bring with you, as well as items that are most commonly forgotten. Without further adieu, here is the list:

What everyone should bring -

- All tax-related documents received. This includes W-2's, 1099's
- Mortgage interest
- Health insurance forms
- Amount of real estate tax or rent

If you are itemizing -

- Charitable Donations
- Excise tax on license
- Job expenses

If you are going to a new preparer -

- Copy of prior year's return
- Birth dates for taxpayer and all dependents

Commonly missed items -

- Social Security number for new child
- Real estate taxes
- Form 1095-A for anyone who received health insurance through the marketplace
- Forms for if you had different insurance policies during the year. These may have to be accessed online as not all insurance companies mail theirs out.



Charitable Deduction Tips

- ▶ GIVE TO QUALIFIED ORGANIZATIONS IF YOU WANT A DEDUCTION-CHECK WITH THE I.R.S. IF YOU AREN'T SURE.
- ▶ IF YOU RECEIVE A BENEFIT DUE TO YOUR CONTRIBUTION, YOU CAN ONLY DEDUCT THE EXCESS OF THE FAIR MARKET VALUE OF THAT BENEFIT.
- ▶ DONATIONS OF STOCK OR NON-CASH PROPERTY ARE USUALLY VALUED AT FAIR MARKET VALUE. CLOTHING AND HOUSEHOLD ITEMS MUST BE IN GOOD USED CONDITION TO BE DEDUCTIBLE. SPECIAL RULES APPLY FOR VEHICLE DONATIONS.
- ▶ FAIR MARKET VALUE IS GENERALLY THE PRICE AT WHICH PROPERTY WOULD CHANGE HANDS BETWEEN A WILLING BUYER AND A WILLING SELLER, NEITHER HAVING TO BUY OR SELL, AND BOTH HAVING REASONABLE KNOWLEDGE OF ALL THE RELEVANT FACTS.
- ▶ KEEP A RECORD OF YOUR DONATIONS, WHETHER BANK RECORD, PAYROLL DEDUCTION RECORD, OR WRITTEN COMMUNICATION. TO MAKE A CLAIM ON AN AMOUNT \$250 OR MORE THIS IS REQUIRED.
- ▶ IF YOUR DEDUCTION FOR ALL NONCASH CONTRIBUTIONS FOR THE YEAR IS OVER \$500, YOU MUST COMPLETE AND ATTACH IRS FORM 8283, NONCASH CHARITABLE CONTRIBUTIONS, TO YOUR RETURN.
- ▶ TAXPAYERS DONATING AN ITEM OR A GROUP OF SIMILAR ITEMS VALUED AT MORE THAN \$5,000 MUST ALSO COMPLETE SECTION B OF FORM 8283, WHICH GENERALLY REQUIRES AN APPRAISAL BY A QUALIFIED APPRAISER.

WE LIVE IN A FREE COUNTRY WHERE GOD HAS BLESSED US AND THE POOREST AMONG US IS WEALTHIER THAN THE MAJORITY OF FOLKS IN THE WORLD, SO GIVE, BUT GET THE DEDUCTION!

References:
Chuck Bentley - Crown Financial
Mark Russell - CPA, Russell & Durr CPA's, Inc.



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