



## MAKING CENTS

### STILL TIME TO GET READY FOR APRIL 15

-John P. Napolitano, CFP®, CPA, PFS, MST



I know it's still several weeks before you have to meet that April 15 tax filing deadline. Believe me, it's not my intention to beat you over the head about the fact that filing time is looming. But I am delivering this message early so you can avoid common mistakes that might cost you time and money.

Before we get into common filing errors, bear with me while I implore you to get organized now. Start accumulating records and receipts, and keep things in a location that is easy to access. In fact, get into that habit throughout the year, so it becomes second nature. Tax season can be anxiety-ridden enough without having to scramble for that piece of paper that you remember putting "somewhere" last fall.

Asking for an extension after missing the April 15 filing deadline could buy you more time to get your act together, but unless you pay all taxes that will be due with the final filing of the complete return, you may owe late penalties and interest. Also, in addition to preparing your return, now you have to go through more red tape and file a form 4868. If you are filing the return the old-fashioned way - on paper and mailed in an envelope - make sure you have submitted all the necessary forms.

Always check and recheck every calculation; simple math errors are the most common error found on tax returns. If you've gone over the numbers and still have a sense that something is off, ask someone else to review the return for you. An even better answer is to spring for the few bucks it costs to buy a tax software program and let it do the work. With one of the top commercially available tax programs, you will easily be able to file electronically.

And speaking of numbers, get your Social Security number right - that also goes for your spouse/partner and all dependents you are claiming. You'd be surprised how many tax returns are not accepted by the IRA as a result of a misplaced digit. If you do end up owing the IRS, be sure to enclose a check or money order with your tax return and write the last four digits of your SSN on the check, along with a notation stating "form 1040, 2007." When filing electronically, all of this is eliminated because the amount due to you or the IRS can be automatically taken or deposited directly to your bank account.

And remember to sign and date all forms. If you forget, the IRS won't process your return. What you want is to get a check in the mail, not a notice that you fouled something up.

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