

IRS TAX TIP 2004-52

TEN WAYS TO AVOID PROBLEMS AT TAX TIME

Looking for ways to avoid the last-minute rush for doing your taxes? The IRS offers these tips:

1. **DON'T PROCRASTINATE.** Resist the temptation to put off your taxes until the last minute. Your haste to meet the filing deadline may cause you to overlook potential sources of tax savings and will likely increase your risk of making an error.
2. **ORGANIZE YOUR TAX RECORDS.** Tax preparation time can be significantly reduced if you develop a system for organizing your records and receipts. Start with the income, deduction or tax credit items that were on last year's return.
3. **VISIT THE IRS ONLINE.** Taxpayers accessed the IRS web site at www.irs.gov more than 4.5 billion times in 2003. Anyone with Internet access can download tax forms, instructions and publications as well as tax law information and answers to frequently asked tax questions.
4. **TAKE ADVANTAGE OF FREE ASSISTANCE.** The IRS offers recorded messages on about 150 tax topics through its toll-free TeleTax service at 1-800-829-4477. It also offers federal tax forms and publications at 1-800-TAX-FORM (1-800-829-3676). Some libraries, post offices, banks, grocery stores, copy centers and office supply stores carry the most widely requested forms and instructions. Libraries may also have reference sets of IRS publications.

The IRS also staffs a tax Help Line for Individuals at 1-800-829-1040. Help for small businesses, corporations, partnerships and trusts which need information or assistance preparing business returns is available at the Business and Specialty Tax Line at 1-800-829-4933. Both lines are staffed from 7:00 a.m. to 10:00 p.m. weekdays. In addition, the Help Line for Individuals is available from 10:00 a.m. to 3:00 p.m. on Saturdays through April 10. All times are local, except in Alaska and Hawaii, which should use Pacific Time.

Hearing-impaired individuals with access to TTY/TDD equipment may call 1-800-829-4059 to ask questions or to order forms and publications.

5. **USE IRS TAXPAYER ASSISTANCE CENTERS AND VOLUNTEER PROGRAMS.** Free tax help is available at IRS offices nationwide. Also, check your newspaper or local IRS office to find locations for Volunteer Income Tax Assistance or Tax Counseling for the Elderly sites. To obtain the location, dates, and hours of the VITA or TCE volunteer site closest to you, call the IRS toll-free Tax Help Line for Individuals at 1-800-829-1040. To find the local IRS office nearest you, visit www.irs.gov.

-More-

6. **FILE YOUR RETURN ELECTRONICALLY.** About 52 million taxpayers filed their returns electronically in 2003. Aside from ease of filing, IRS e-file is the fastest and most accurate way to file a tax return. If you're due a refund, the waiting time for e-filers is half that of paper filers. The IRS and the Free File Alliance, LLC, a private-sector consortium of tax software companies, have formed a partnership to help qualified taxpayers electronically prepare and file their federal tax returns for free. Go to www.irs.gov and link to the Free File page to see if you're eligible for this service.

7. **DOUBLE-CHECK YOUR MATH AND DATA ENTRIES.** Review your return for possible math errors and make sure you have provided the names and correct (and legibly written) Social Security or other identification numbers for yourself, your spouse and your dependents.

This year, if you plan to claim the Child Tax Credit on your tax return, remember to reduce it by the amount of the advance Child Tax Credit payment you received in 2003. See the Form 1040 instructions for more information. Forms are available on the IRS Web site, www.irs.gov, or by calling toll-free 1-800-TAX-FORM (1-800-829-3676).

8. **HAVE YOUR REFUND DEPOSITED DIRECTLY TO YOUR BANK ACCOUNT.** Another way to speed up your refund and reduce the chance of theft is to have the amount deposited directly to your bank account. Check the tax instructions for details on entering the routing and account numbers on your tax return. Make sure the numbers you enter are correct. Wrong numbers can cause your refund to be misdirected or delayed.

9. **DON'T PANIC IF YOU CAN'T PAY.** If you can't immediately pay the taxes you owe, consider some stress-reducing alternatives. You can apply for an IRS installment agreement, suggesting your own monthly payment amount and due date, and getting a reduced late payment penalty rate. You also have various options for charging your balance on a credit card, either as part of an electronic return or directly through a processing agent, either by phone or online.

Official Payments Corporation may be reached at 1-800-2PAY-TAX (1-800-272-9829), or at www.officialpayments.com. The Link2Gov Corporation may be reached at 1-888-PAY-1040 (1-888-729-1040) or at www.pay1040.com. Discover Card can be reached through www.discovercard.com. There is no IRS fee for credit card payments, but the processing companies charge a convenience fee.

Electronic filers with a balance due can file early and authorize the government's financial agent to take the money directly from their checking or savings account on the April 15 due date, with no fee.

-More-

Note that if you file your tax return or a request for an extension on time, even if you can't pay, you avoid potential late filing penalties.

10. REQUEST AN EXTENSION OF TIME TO FILE — BUT PAY ON TIME. If the clock runs out, you can get an automatic four-month extension of time to file, to August 15. An extension of time to file does not give you an extension of time to pay, however. You can call 1-888-796-1074, e-file a Form 4868 that is included in most tax preparation software, or send a paper Form 4868 to the IRS to request the extension. You will need the adjusted gross income and total tax amounts from your 2002 return if you request the extension by computer or phone. You may also get an extension by charging your expected balance on a credit card and you won't have to file the form. Contact Official Payments Corporation, Link2Gov Corporation or Discover Card. There is no IRS fee for credit card payments, but the processor charges a convenience fee.

Note that the extension itself does not give you more time to pay any taxes due. You will owe interest on any amount not paid by the April deadline, plus a late payment penalty if you have not paid at least 90 percent of your total tax by that date.

Taxpayers needing Form 4868 or any other federal tax form should act soon to be sure they have the item in time to meet the April deadline.

Forms are available on the IRS Web site, www.irs.gov, or by calling toll-free 1-800-TAX-FORM (1-800-829-3676).

###

EDITOR'S NOTE: Subscribe to IRS Tax Tips through the e-News Subscriptions link on the Newsroom page of the IRS Web site, www.irs.gov. Back issues of Tax Tips also can be accessed at IRS.gov. If you need additional information, contact your local IRS Media Relations office or call 202-622-4000.