

# 10 Tax Time Organizing Tips

Getting your paperwork organized so that you (or your tax preparer) can file your income tax return need not cause your stomach to churn! Follow these 10 easy steps to make tax preparation a breeze. ***Well, at least until you have to write the check!***

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1. **Purchase an expandable file envelope** from any office supply store. This is a (usually) brown accordion-type 9" x 12" envelope that has 15 or so sections inside. If your tax return will be very complicated and you have a lot of supporting paperwork, purchase a portable file box and hanging file folders instead of the expandable file envelope.
  2. Get out last year's federal income tax return. **Label each section of the expandable file** according to the categories on your 1040 form that applied to you last year, or that will apply this year. For example, basic categories could be:
    - ❑ W-2s and pay stubs
    - ❑ 1099s and other statements of income or dividends
    - ❑ Medical expense receipts
    - ❑ Statements for real estate taxes paid
    - ❑ Mortgage interest statements
    - ❑ Receipts for tax-deductible contributions
    - ❑ Receipts or statements for other tax-deductible expenses
    - ❑ Receipts for business expenses (use one section for each expense category)
  3. Now, **gather your household paperwork and cancelled checks** for the year for which you'll be preparing your tax return.
  4. **Sort the paperwork and checks** into your labeled expandable file envelope by category.
  5. After you have put all of the supporting paperwork in your expandable file envelope, remove the contents one section at a time and **add up the income or expenses for each category**. Use a calculator with a tape, if possible.

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6. **Staple the calculator tape to the appropriate receipts.** Then make a note of the category on the calculator tape, and replace the paperwork in the file envelope. Repeat the process for each category.
7. **Label the outside of the file envelope with the tax year.** You are now ready to complete your tax returns!
8. **Repeat the process each year,** using a new file envelope. Keep the 6 most recent years' envelopes in case you are audited.
9. **Keep copies of all of your tax returns** (and their attachments) forever. Store them in chronological order in your file cabinet, with the most recent year in front.
10. **Consider computerizing your financial records** using a program such as Quicken® or Microsoft Money® for households or Quick Books® for businesses to make next year's tax time even easier.

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*Absolutely Organized* can help you set up your bank and credit card accounts on your computer. Please contact us for more information about this service. You can email us at [info@absolutely-organized.com](mailto:info@absolutely-organized.com) or call us at 410.329.3300.