

# Tax Facts

## Eight Mistakes To Avoid On Your Tax Return

(NAPSA)—Making mistakes on your taxes can cost you both money and time but, fortunately, many of the most common errors can be easily avoided. These eight tips can help:

**1. Procrastinating.** Start your tax return as soon as possible. You may need to request information from your employer or financial institutions. If you experienced life changes, you may need a bit more time to claim additional deductions and credits.

**2. Rushing** leads to errors. Chances are, you won't regret taking a little extra care on your tax return, one of the most important financial transactions you do each year.

If you owe taxes, you can still file now and schedule electronic payment anytime before April 15.

**3. Not reporting all your income.** Employers send Form W-2s, but what if you earn extra money doing freelance photography or writing? You may not get a Form 1099 for that work, but you still have to report the income on your tax return.

"This type of income is reported on IRS Schedule C as part of your Form 1040," explained TaxACT spokesperson Jessi Dolmage. "DIY solutions like TaxACT make it easy—just answer simple questions about your income and expenses. The program will take care of the calculations and tax forms while helping you get all your deductions to maximize your refund."

**4. Not taking full advantage of IRA contribution limits.** IRA (Individual Retirement Account) contributions are one of the few tax benefits you can still take advantage of through April 15.

For tax year 2014, traditional IRA contributions up to \$5,500 (\$6,500 if you're age 50 or older) are tax-deductible. The same contribution limits apply to Roth IRAs as long as your modified adjusted gross income is below \$114,000 (\$181,000 for joint filers). Incomes above that are subject to a reduced deduction.

**5. Miskeying** SSNs or using "unofficial" names. Believe it or not, these are among the most common reasons tax returns are



**Knowing what not to do can help you save time, trouble and taxes.**

rejected. The IRS verifies Social Security numbers and names with the Social Security Administration when processing returns. Importing last year's tax return information helps, but always double-check that the numbers and names exactly match Social Security cards.

**6. Not double-checking bank account and routing numbers.** Whether you're getting a refund or you owe Uncle Sam, double-check account numbers. Just one or two incorrect digits can mean a lost refund or penalties and interest because the IRS didn't receive your payment.

**7. Not e-filing.** Electronic filing is the fastest, most accurate way to file your tax return. Advanced encryption and transmission methods keep your information secure. The IRS typically processes e-filed returns within 48 hours, typically within minutes, which means you'll have your refund sooner. E-filing also lets you get e-mail and text notifications as soon as your return is processed.

**8. Paying too much** to do your taxes. Everything you need to prepare and file your taxes affordably, even free, is right at your fingertips. Whether you file on a computer, tablet or smartphone, you can file your federal return free with TaxACT Free Federal Edition. Unlike other free solutions, it includes all e-fileable IRS forms and schedules for complex returns—no restrictions.

Get more tax tips at [www.irs.gov](http://www.irs.gov), and go to [www.taxact.com](http://www.taxact.com) to file free with TaxACT Free Federal Edition.