



The Time To See A Tax Pro Is Now

(NAPSA)—Many taxpayers may be surprised to discover that a good time to get tax advice is after their taxes are done and filed.

That's because by taking a look at your tax situation now, you can take advantage of every legal means to reduce the amount you'll pay in taxes next year.

For example, if you know in advance of looming life changes, events such as marriage, divorce or remarriage, you need to consider the effect of these changes to your tax status. The exemptions claimed on your W-4 may need to be adjusted to prevent an unexpected tax bill. If you're going through a divorce, discussing the tax ramifications of dependents, alimony, child care or division of property before signing anything is extremely helpful. Divorce decrees often contain wording that has a different tax result than what was intended. You can call on your tax professional for a review.

A change in family size with the birth or adoption of a child can also affect your tax return. Plus, as children get older, you may lose certain credits.

A career change is another thing that might affect your tax situation. If you have pension opportunities you're not sure about or excludable benefits such as cafeteria plans and dependent care benefits, a tax professional can help you evaluate your options. A career change might also increase income, shifting you into a higher tax bracket or changing the work-related deductions available, making a change in withholding a possibility.

If you find yourself in financial trouble, bankruptcy may be the option you choose. If so, there are tax implications you should be aware of and options that may be available, so contact your tax professional soon. Time is of the essence if you are in a bankruptcy situation.

Did your company present you with an early retirement proposal or are you considering an early retirement? This



Even after you pay your taxes, it's wise to keep your tax professional informed of any changes in your life because they may change your tax situation.

event definitely changes your life and your tax situation. It's better to discuss the options before you act rather than face a large tax bill because you didn't. Know the tax implications of your decision: Check with your tax professional to make sure you're not triggering an early-withdrawal penalty or causing Social Security to be taxable.

Certainly, if you get a letter from the IRS, call your tax preparer or you may risk larger and larger penalties.

What To Look For In A Tax Preparer

It's important that you know you're speaking with someone knowledgeable who can be trusted. You'll want the person doing your taxes to be registered with the IRS, to have passed testing on taxation, and to keep up with the ever-changing tax code through continuing education. Enrolled agents do all that, are licensed by the U.S. Department of the Treasury and are bound by a code of ethics.

Find An Enrolled Agent

To find one nearby, use the "Find a Tax Expert" directory at www.earthtax.org.