

IRS TAX TIP 2003-58

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. **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.
2. **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.
3. **VISIT THE IRS ONLINE.** Taxpayers accessed the IRS web site at *IRS.gov* more than 3 billion times in 2002. 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 TAX ASSISTANCE.** The IRS offers recorded messages on about 150 tax topics through its TeleTax service at 1-800-829-4477. It also offers federal tax forms and publications at 1-800-TAX-FORM (1-800-829-3676). Many post offices and libraries 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, 7:00 a.m. to 10:00 p.m. on weekdays and 10:00 a.m. to 3:00 p.m. on Saturdays through April 12 and on Sunday, April 13 (all times are local, except in Alaska and Hawaii, which should use Pacific Time). Help for small businesses, corporations, partnerships and trusts who need information or help preparing business returns is available at the Business and Specialty Tax Line at 1-800-829-4933. 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.** Tax help is available at more than 400 IRS offices nationwide. Also, check your newspaper or local IRS office to find locations for Volunteer Income Tax Assistance and Tax Counseling for the Elderly sites. To obtain the location, dates, and hours of the 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 *IRS.gov*.
6. **FILE YOUR RETURN ELECTRONICALLY.** About 47 million taxpayers filed their returns electronically in 2002. Aside from ease of filing, IRS e-file is the fastest and

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most accurate way to file a tax return. If you're due a refund, the wait time for e-filers is half that of paper filers. This year, the IRS and the Free File Alliance, LLC, a private-sector consortium of tax software companies, have formed a partnership to help taxpayers electronically prepare and file their federal tax returns for free. Go to *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 the names and Social Security or other identification numbers for yourself, your spouse and your dependents are correct and legible.

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.

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 via a phone call to a processing agent. 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*. There is no IRS fee for credit card payments, but the processor charges 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 due date.

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. 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. 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 or Link2Gov Corporation. 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.

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