

Income Tax Record - Courtesy of Syreeta, Inc.

Tax Tip 1 – Get Organized

Create three folders to help you organize your tax documents; Income, Deductions and Other Receipts, and as you receive end of year tax documents, immediately file them in their proper folder.

INCOME FOLDER

Make a list of all the income you received during the year, and file any W2's (from your employer) whether you worked full or part-time. If you did any freelance or contracting jobs, you will receive a 1099 (if earnings were over \$600). If you self-employed, there are tax documents that will be included in this folder. Did you receive any investment income, including real estate, dividends and interest income? If so, you should receive a 1099-DIV or 1099-INT for this income.

DEDUCTIONS FOLDER

Though there are many items that can be deducted, listed below are a few to consider:

- All charitable donations are tax deductible
- Educator expenses
- Medical costs
- Military expenses
- Mortgage interest (Form 1098)
- Moving expenses
- Property taxes
- Self-employment taxes/expenses
- Student loan interest (Form 1098-E)
- Tax preparation fees
- Tuition

**** CAUTION: Be aware that there are dollar limits and specific limitations on some of these deductions.**

OTHER RECEIPTS

Throughout the year, put important receipts and any additional tax related documents that is not on a tax form, and does not get filed in the Income or Deduction folders into this folder to help with tax preparation at the end of the year.

Include in this folder work clothing receipts, moving expenses, or any other documents that you want to keep for records.

This folder is your "CYA" (Cover your a\$\$) folder.

Other expenses to retain receipts for tax preparation could include:

- Child care expenses
- Gambling Losses
- IRA Contributions
- Motor Vehicle Registration
- Property Loss (Theft or Casualty)
- Rental Property Income and Expenses
- Retirement Distributions (1099-R)
- Social Security Income (1099-SSA)