

Doing own taxes? Do your homework first

Instead of paying someone else to do our taxes this year, I'm going to take a crack at it. Is there anything special I should look out for?

Good for you — you'll be joining a crowd. Millions of Americans do their own taxes each year. Here are some things to consider.

First, prepare. Take a large envelope, mark it "2010 Taxes," and use it to gather the records you'll need when you actually sit down and put pencil to paper (or finger to keyboard — read more on e-filing below). When you receive bank statements, W-2s, 1099s, 2010 charitable contribution receipts and other documents you'll need for your return, put them in this envelope for easy access.

While you're at it, start a "2011 Taxes" envelope where you can file receipts, a copy of this year's return, and other documents you can gather over the next 12 months to make this task easier next year.

Also, you should know that if you plan to itemize deductions (use Schedule A), you'll have to wait until some time in February even if you have all of your other information ready before that. That's because of changes made to tax law very late in 2010: the IRS needs some time to update its tax processing systems to account for the changes. Others who need to wait are those claiming the Higher Education Tuition and Fees Deduction (Form 8917) or the Educator Expense Deduction (on Forms 1040 and 1040A). See the IRS website at <http://www.irs.gov> for updates.

Next, decide how you want to file: paper or electronic? If you decide you prefer the old-fashioned route, be warned: For the first time, the IRS won't be mailing paper forms to taxpayers this year. If you want to file on



paper, you can visit (as in the past) your local post office or library to pick up free copies of forms and instructions.

But more and more taxpayers appear to be comfortable filing their returns electronically. Last year, the IRS reports, 70 percent of taxpayers used IRS e-file instead of mailing their tax forms. Taxpayers filing their own returns have several options for e-filing:

- Buy IRS-approved tax preparation software, install it on your personal computer with Internet access, and start filling in the blanks.
- Use the IRS Free File or Free File Fillable Forms programs. The Free File program is open to taxpayers with an adjusted gross income of \$58,000 or less (individual or married filing jointly). This program allows eligible taxpayers to use brand-name software (available free from <http://www.irs.gov>) to do taxes for free. Taxpayers with higher incomes can purchase their own software (above), or use the IRS Free File Fillable Forms, which are free electronic versions of the paper forms. They perform basic calculations (yes, they do the math for you), and by using them, you can file your taxes electronically for free, but unlike tax software, they don't offer explanations about tax situations, extensive error checking, or the ability to prepare state taxes. For details, see <http://www.freefile.irs.gov/>.

Much more information is available online. See "Tax Information for Individuals" at <http://www.irs.gov/individuals/>.

Family Fundamentals is a monthly column on family issues. It is a service of Ohio State University Extension and the Ohio Agricultural Research and Development Center. Send questions to Family Fundamentals, c/o Martha Filipic, 2021 Coffey Road, Columbus, OH 43210-1044, or filipic.3@cfaes.osu.edu.



THE OHIO STATE UNIVERSITY
OHIO STATE UNIVERSITY
EXTENSION
OHIO AGRICULTURAL RESEARCH
AND DEVELOPMENT CENTER

**For the month of
January 2011**

By Martha Filipic
614-292-9833
filipic.3@cfaes.osu.edu

Dear Subscriber: This column was reviewed by Nancy Hudson, educator and county director with Ohio State University Extension, Family and Consumer Sciences.

**Section of Communications
and Technology
News and Media Relations**
2021 Coffey Road
Columbus, OH 43210-1044
614-292-2011

208 Research Services
Building
1680 Madison Ave.
Wooster, OH 44691-4096
330-263-3780

Ohio State University Extension embraces human diversity and is committed to ensuring that all research and related educational programs are available to clientele on a nondiscriminatory basis without regard to race, color, religion, sex, age, national origin, sexual orientation, gender identity or expression, disability, or veteran status. This statement is in accordance with United States Civil Rights Laws and the USDA. Keith L. Smith, Ph.D., Associate Vice President for Agricultural Administration and Director, Ohio State University Extension
TDD No. 800-589-8292 (Ohio only) or 614-292-1868