



Avoid Silly Mistakes on Your Tax Returns

Tax time is fast approaching. Many of you prepare your own tax returns, so we wanted to remind you of a few common mistakes and offer ways to avoid them.

Let's get the bad news out of the way first: You cannot deduct your association assessment. Although they're used like taxes, assessments aren't taxes. They're payment for products and services delivered to all residents the association—utilities and trash removal, for example.

IRS instructions for preparing tax returns are quite useful and thorough. They can be a big help for do-it-yourselfers. However, it's the little things—silly mistakes—that most often creep into your documents and cause problems. Here are just a few tips to keep in mind:

- ☑ Prepare your tax return as early possible. Waiting until the last minute increases your chances of making mistakes. Give yourself time to gather documents or research details. Better yet, collect these documents throughout the year in a special file so you have them ready at tax time.
- ☑ Use the correct tax rates. Tax tables can be dense and difficult to read; use extra care.
- Fill in every line. If a line item on a form doesn't apply to you, put a zero or a strike through where the amounts would be. That indicates you determined it doesn't apply to you.
- Make sure all your documents are complete. Attach forms, schedules, supporting statements and explanations. If you need more space, attach separate sheets that are the same size and format as the printed forms. Transfer the totals onto the printed forms. Put your name, social security number and date on all extra pages.
- Rounding is OK. Round off all amounts on your tax return. Round up to the next dollar all amounts that are 50 cents or more. Round down all amounts that are between one and 49 cents.
- Pay on time. File on time. The quickest way to get the IRS' attention is to pay your taxes late or file your return late.
- Reply promptly to all IRS inquiries. Ignoring the IRS invites trouble—you could be audited or have your assets seized.
- Ask another person to review your tax return to check your math and ensure that all fields are accounted for. Math errors are the most frequent mistake on individual tax returns.
- Sign the return. If you pay someone to prepare your taxes, that person must sign your tax return. But, *you* must sign and date your own tax return no matter who prepares it.
- Keep copies of your tax return and all supporting documents. You'll need them next year, and you should keep them for another five to seven years after that before destroying them.