

IRS Reminds To Avoid Tax Return Mistakes, Reduce Processing Delays And Refund Adjustments

Top Ten Mistakes To Avoid Tax While Filing Taxes To Reduce Processing Delays And Refund Adjustments

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With the April 15 tax filing deadline looming, the Internal Revenue Service has issued a reminder to taxpayers,

offering [guidance](#) on avoiding common mistakes on their federal tax returns, which can expedite the processing of refunds.



Gather all tax-related documents: Taxpayers must gather all essential documents, such as Forms W-2 and 1099, along with any documentation needed for tax deductions or credits, including educational credits or mortgage interest statements. It is also wise to have the previous year's tax return on hand.

Use electronic filing: The IRS encourages taxpayers and their advisors to use electronic filing methods like the IRS Free File or other e-file services. The Direct File pilot program, open to select taxpayers in 12 states, makes this even more accessible. E-filing reduces errors and helps identify tax credits or deductions, ensuring taxpayers get all the benefits they're entitled to.

Taxpayers should review their returns for accuracy. The quickest and safest way to receive a refund is to choose e-filing and direct deposit.

Choose the correct filing status: Tax softwares are designed to minimize mistakes when choosing the appropriate filing status for tax returns. For those uncertain about their filing status, the Interactive Tax Assistant available on IRS.gov offers guidance, especially useful when multiple statuses could be applicable.

Ensure personal information such as names, birthdates, and Social Security numbers are correct: Taxpayers must meticulously report each dependent's name, date of birth, and Social Security number (SSN) on their income tax return. The SSN and the individual's name must be entered

exactly as they appear on the Social Security card.

When a dependent or spouse does not have an SSN and cannot obtain one, they should provide an Individual Tax Identification Number (ITIN) in place of the SSN.

Make sure To Answer the digital assets question: All taxpayers filing Forms 1040, 1040-SR, 1040-NR, 1041, 1065, 1120, and 1120S must answer a critical question regarding digital assets, selecting either "Yes" or "No." This requirement applies to everyone, not solely those who conducted transactions involving digital assets in 2023. Taxpayers must disclose all income from digital asset transactions. For guidance on when to indicate "yes" and instructions on reporting this income, please visit [IRS.gov Digital Assets](https://www.irs.gov/digitalassets).

Make sure to report all taxable income: Remember, most income is taxable. Inaccurate income reporting can lead to penalties and accrued interest. This applies to income from diverse sources, including interest earnings, unemployment benefits, service industry wages, gig economy earnings, and digital assets. For more information, refer to Publication 525, Taxable and Nontaxable Income.

Make sure banking routing and account numbers are correct: Taxpayers can request direct deposit of a federal refund into one, two, or even three accounts. Provide correct banking information: If expecting a refund, ensure the routing and account numbers provided for direct deposit are accurate to avoid delays or misdirected refunds.

Additionally, taxpayers can use their refund to buy U.S. Savings Bonds.

Always remember to sign and date the return: Both spouses must sign and date the document when filing a joint return. For those preparing and filing their taxes electronically, signing and authenticating the electronic tax return involves entering their adjusted gross income (AGI) from the previous year.

If mailing paper returns, ensure the address is correct: Taxpayers and tax professionals are encouraged to opt for electronic filing whenever feasible. However, for individuals required to file a paper tax return, ensuring the accuracy of the mailing address, either through [IRS.gov](https://www.irs.gov) or the instructions accompanying Form 1040, is crucial to ensure timely processing.

Keep a copy of the tax return: Before filing, taxpayers are advised to create copies of their signed returns and any related schedules for their records. Keeping these documents can assist in preparing future tax returns and resolving any discrepancies if an amended return becomes necessary. Generally, it's recommended to hold onto records that substantiate income, deductions, or credits claimed on a tax return until the statute of limitations for that return runs out.

Request an extension, if needed: Taxpayers needing additional time to file their taxes can

seamlessly request a [six-month extension](#) until October 15, effectively dodging any penalties associated with late filing. This extension is obtainable via the IRS Free File system or by submitting Form 4868, the Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, by the April 15 deadline. However, it's crucial to understand that while the extension grants more time to file, it does not extend the deadline for tax payments, which remain due on April 15 for most taxpayers.

As an alternative approach, taxpayers can secure an extension by either making a full or partial estimated income tax payment and concurrently indicating that this payment is intended for an extension. Payments can be made through Direct Pay, the Electronic Federal Tax Payment System (EFTPS), or via debit/credit card or digital wallet options. This method eliminates the need for a separate extension form and provides taxpayers with a confirmation number for their records, streamlining the process.

Managing all these mistakes can be daunting. You can always seek professional support from Tax service providers such as [NexGen Taxes](#), a pioneering platform in tax services that transforms this complexity into simplicity. NexGen Taxes connects you with elite Tax Pros, EAs, and CPAs, ensuring error-free tax returns in full compliance with the latest IRS regulations.

"Finding a Tax Pro you can trust should be as straightforward as choosing a reliable hair stylist," asserts the CEO of NexGen Taxes. "We make it easy by providing access to top-tier tax professionals who are not only vetted for their skills but are also committed to delivering exceptional service to earn your trust."

Avoid common mistakes that cause delays and refund adjustments for a stress-free tax season.

Sam Verma

NexGen Taxes

+1 800-763-2169

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