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## THE 10 MOST COMMON ERRORS IN FILING TAX RETURNS

By Victor Sy, CPA

1. **Failure to declare all interest and dividend income** - Banks and stock brokerage firms file 1099s with the IRS. If you miss a 1099, IRS computers will catch it and send you notice Form CP2000 for unreported income.
2. **Incorrect or missing social security numbers** - When entering SS numbers for anyone listed on your tax return, be sure they are entered exactly as they appear on the social security cards. Incorrect or transposed numbers will cause your efiled return to be rejected by the system.
3. **Incorrect or misspelled dependent's last name** - Be sure to enter your dependent's name exactly as it appears on the social security card. It will also cause delays in processing your return.
4. **Filing status errors** - Make sure you choose the correct filing status for your situation. I have found married but separated couples filing as "single" and taxpayers without qualifying dependents filing as "head of household."
5. **Dependency exemption** - Do not claim an exemption deduction if you are being claimed as a dependent by your parents or someone else.
6. **Incorrect bank account numbers for Direct Deposit** - Check your financial institution routing and account numbers if you have a refund and requested direct deposit to your bank account. Remember that not all routing numbers appear on the lower left hand portion of your deposit slips.
7. **Incorrect Adjusted Gross Income (AGI) information** - Taxpayers filing electronically must sign the return electronically using a personal identification number. To verify your identity, you will be prompted to enter your AGI from your originally filed 2007 federal income tax return or your prior year PIN if you used one to file electronically last year. Do not use an AGI amount from an amended return Form 1040X, or a math error correction made by IRS.
8. **Computation errors** - Many taxpayers are making mistakes when figuring the taxable income, withholding and estimated tax payments, Earned Income Credit, Standard Deduction for age 65 or over or blind, the taxable amount of social security benefits, and child and dependent care credit.
9. **Forgetting to sign and date the return** - An unsigned paper-filed tax return is considered unfiled.
10. **Erroneous Recovery Rebate Credit** - Many returns filed in 2009 have errors involving the Recovery Rebate Credit, a credit for people who did not receive a stimulus payment in 2008 or who did not receive the maximum amount. To avoid delays in tax refunds, it is critical that you know whether you received a payment in 2008 and the correct amount of that stimulus payment. For people using a paper tax return, the stimulus payment amount will be required when completing the related worksheet. For people using tax software, the stimulus payment amount will be needed as part of the return preparation process.