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10 TIPS TO AVOID STRESS FROM LAST-MINUTE FILING

By Victor Sy, CPA

1. **File your tax records neatly and orderly during the year.** If you are not an organized person by nature as some of us are, just throw tax documents in a shoe box or stuff them into a folder labeled with “2009 tax records.” It beats turning your whole home and garage come tax time.
2. **Don’t keep postponing** work on your taxes until the very last minute. Haste could cause you to overlook potential sources of tax savings and will likely increase your risk of making an error.
3. File Your Return **Electronically**. It’s easier. Refunds arrive faster - in about half the time it takes for the old paper filing.
4. Visit IRS **Online** answers to frequently asked tax questions.
5. If your tax situation is rather simple, you may **do it yourself**.
6. If you have issues that are complicated, go to a **tax professional** (CPA or enrolled agent). Tax savings and tax planning will more than pay for their fees.
7. **Request an Extension** of Time to File. Use Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return. You can get an automatic six month extension of time to file to October 15 (the August 15 extension is gone).
8. If you are not ready by the last deadline, **file anyway**. You’ll save the 5% per month failure-to-file penalty. The penalty of ½ % per month for *late paying* is rather small compared with the penalty of 5% per month for *late filing*.
9. If you cannot pay, request a **payment plan** by attaching Form 9465 on top of your income tax. You may also apply using the Web-based Online Payment Agreement application available at IRS.gov.
10. If you are a **habitual late filer**, break out of it by filing on time this year. Feed off that energy and file early again next year. You’ll be glad you did.

Avoid stress from having to worry about penalties and interest. You’ll have to file anyway. Why add unnecessary tension? Good luck.