

Steps to Take Now to Get a Jump on Your Taxes

Tax planning is for everyone. Get ready today to file your federal income tax return.

Have your records organized to make preparing a tax return easier. It may also help you discover potentially overlooked deductions or credits.

Include in your tax records:

- Forms W-2 from employers
- Forms 1099 from banks and other payers
- Other income documents and records of virtual currency transactions.

Include your [Notice 1444 Your Economic Tax Payment with your tax records](#) if you received an Economic Impact Payment.

[View your account information](#) to see information from your most recently filed tax return.

Notify the IRS if your [address changes](#) and notify the [Social Security Administration](#) of a legal name change.

Remember, most income is taxable. This includes:

- [unemployment income](#),
- [refund interest](#),
- income from the [gig economy](#), and
- [virtual currencies](#).

Ensure your [Individual Tax Identification Number \(ITIN\)](#) hasn't expired before you file a tax return in 2021. If you need to file a tax return in 2020,

IRS recommends you submit a [Form W-7, Application for IRS Individual Taxpayer Identification Number](#), or [Formulario W-7 \(SP\), Solicitud de Número del Identificación Personal del Contribuyente del Servicio de Impuestos Internos](#), now to renew your ITIN. As a reminder, ITINs with middle digits 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, or 87 that expired in 2016, 2017, 2018, or 2019 can also be renewed.

Use the [Tax Withholding Estimator](#) to help you determine the right amount of tax to have withheld from your paycheck. This tool on IRS.gov will help determine if you need to adjust your withholding and submit a new Form W-4 to your employer.

[Consider estimated tax payments](#). If you receive a substantial amount of non-wage income like self-employment income, investment income, taxable Social Security benefits and in some instances, pension and annuity income you should make quarterly estimated tax payments, with the last payment for 2020 due on Jan. 15, 2021. Payment options can be found at [IRS.gov/payments](#).

What's new and what to consider when you file in 2021

You may be able to claim the Recovery Rebate Credit on your Tax Year 2020 Federal income tax return if you met the eligibility criteria in 2020 and:

- You didn't receive an Economic Impact Payment, or
- Your Economic Impact Payment was less than \$1,200 (\$2,400 if married filing jointly for 2019 or 2018) plus \$500 for each qualifying child you had in 2020.
- For additional information about the Economic Impact Payment, visit the [Economic Impact Payment Information Center](#).

If you received a federal tax refund, you may have been paid interest.

[Interest payments are taxable](#) and must be reported on your 2020 federal income tax return. In January 2021, the IRS will send a [Form 1099-INT](#) to anyone who receives interest totaling at least \$10.

Although the IRS issues most refunds in less than 21 days, the IRS cautions taxpayers not to rely on [receiving a refund by a certain date](#), especially when making major purchases or paying bills. Some returns may require additional review and may take longer. For example, the IRS, along with its partners in the tax industry, continue to strengthen security reviews to help protect against identity theft and refund fraud.

Additionally, refunds for people claiming the Earned Income Tax Credit (EITC) or Additional Child Tax Credit (ACTC) can't be issued before mid-February. The law requires the IRS to hold the entire refund – even the portion not associated with EITC or ACTC. This law change, which took effect in 2017, helps ensure that taxpayers receive the refund they're due by giving the IRS more time to detect and prevent fraud.

Social distancing: Stay home and stay safe with IRS online tools

Make your first stop IRS.gov where you'll find [online tools to help you get the information you need](#). The tools are easy-to-use and available 24 hours a day. Millions of people use them to help file and pay taxes, find information about their accounts and get answers to tax questions.

Get the help you need when you're ready to file with these online tools:

[Use IRS Free File](#)

Beginning in January 2021, almost everyone can file electronically for free on IRS.gov or with the IRS2Go app. The [IRS Free File program](#), available only through IRS.gov, offers brand-name tax preparation software packages to use at no cost. The software does all the work of finding deductions, credits and exemptions for you. It's free for those who

earned \$72,000 or less in 2020. Some of the Free File packages also offer free state tax return preparation.

If you're comfortable preparing your own taxes, you can use [Free File Fillable Forms](#), regardless of your income, to file your tax returns either by mail or online.

[Use the VITA Locator Tool](#)

The IRS's Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs offer [free basic tax return preparation to qualified individuals](#). The VITA Locator Tool. Will help you locate an open VITA site near you.

[Find a tax professional](#)

You have several options to help find a tax preparer. One resource is Choosing a Tax Professional, which offers a wealth of information for selecting a tax professional. There are various types of tax return preparers, including enrolled agents, certified public accountants, attorneys and some who don't have a professional credential.

The [Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#) can help you find preparers in your area who currently hold professional credentials recognized by the IRS, or who hold an Annual Filing Season Program Record of Completion.

[Use the Interactive Tax Assistant \(ITA\)](#)

Beginning in January 2021 use the ITA to find out if life event changes make you eligible for credits you didn't qualify for in the past. The ITA is a tool that provides answers to many tax law questions. It can determine if a type of income is taxable, if you're eligible to claim certain credits, or if you can deduct expenses on your tax return. It also provides answers for general questions, such as determining your filing status, if you can claim

dependents, or if you have to file a tax return.

Check the status of your refund by going to [IRS.gov](https://www.irs.gov) and clicking on [Where's My Refund?](#) The status of your refund will be available within 24 hours after the IRS receives your e-filed tax return. If you filed a paper return, it can take up to four weeks after it is mailed. The Where's My Refund? tool updates once every 24 hours, usually overnight, so you only need to check once a day.

File electronically and choose [Direct Deposit](#) for your tax refund – it's the fastest and safest way to receive your money. Electronically filed tax returns are received within 24 hours, and paper tax returns take weeks. If you file a paper return, you can still choose direct deposit. The [FDIC website](#) offers information to help you open an account online.

There's never been a better time to join the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs. VITA/TCE volunteers provide free tax return preparation for eligible taxpayers. With many people experiencing financial changes this year, additional volunteers are needed to assist them. In response, the IRS is rolling out new ways to make volunteering easier.

New this year, potential volunteers can tune in virtually to learn more about the program, find out which volunteer role is right for them and ask questions. Additionally, some sites will now give volunteers the option to assist taxpayers virtually rather than the face to face assistance. This allows volunteers to help taxpayers complete their returns over the phone or online. Some volunteers may conduct a quality review with the taxpayer before the tax return is e-filed with the IRS. Virtual volunteering is a great option for new volunteers, since they can ask experienced volunteers for help while completing tax returns.

Visit [IRS.gov/volunteers](https://www.irs.gov/volunteers) to learn more and sign up. After signing up, you'll receive more information about attending a virtual orientation.

[Link & Learn Taxes](#) is a web-based training program for volunteers. It prepares VITA and TCE partners and volunteers to provide quality tax return preparation services in their local communities. This fun, interactive course teaches you to accurately prepare income tax returns for individuals, and you can obtain volunteer certification along the way at your own pace!

[Publication 5348, Get Ready to File PDF](#)

Follow these tips to file your federal tax return.

[Publication 5349, Year-round tax planning is for everyone PDF](#)

Guidelines to plan ahead for filing your taxes.

[Publication 5136, IRS Services Guide PDF](#)

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