

Prepare for Tax Season

Get your documents in order

Be Ready for Tax Season

Tax season in the United States runs from January 1st to April 15th, meaning it is almost time to file your federal and state income tax returns! Preparing for tax season early can help you stay organized and avoid any last-minute issues.

Listed below are a few common forms and terms, related to taxes, that you should be familiar with:

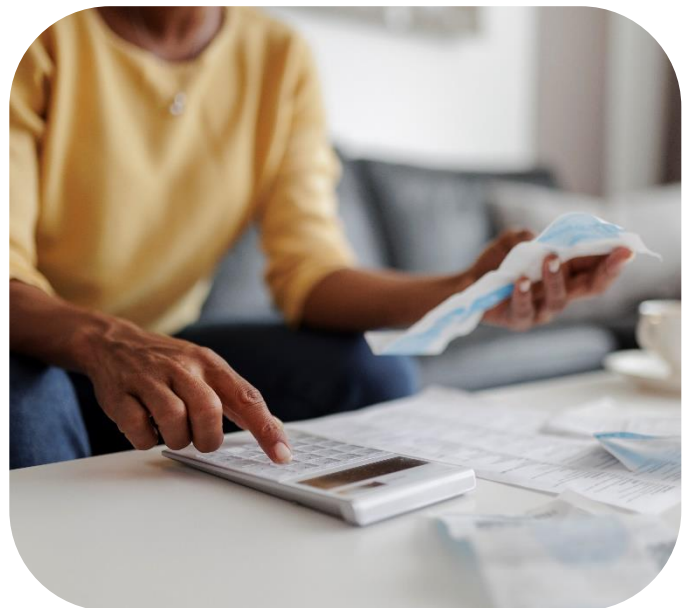
- **1040 Form:** This is the primary form individuals use to file their income taxes.
- **W-2 Form:** Provides details on wages and taxes withheld. This document is provided by your employer.
- **1099 Form:** Provides details on additional income. Examples of this would be freelance work or dividends from your financial institution.
- **Deductions:** Expenses that reduce an individual's taxable amount. Deductions reduce your income, which in turn can reduce the amount of taxes you owe.
- **Credits:** Incentives from the government that reduce the amount of taxes you owe.
- **Refunds:** Money returned to a taxpayer by the government if the individual overpaid taxes or qualified for tax credits.

Gather Your Tax Records

Having all your tax documents gathered and organized puts you in the best position to submit an accurate return, avoid processing or refund delays, and prevents Internal Revenue Services (IRS) notices.

Now is a good time to review any financial transactions from 2024 to determine if they are taxable and the correct way for them to be reported.

The IRS recommends that taxpayers create either an electronic or paper-based system for storing all tax-related information in one place. Keep copies of filed tax returns and supporting documents for at least three years.



It is important to ensure your employer, financial institutions, and other payers have your up-to-date mailing and email address for you to receive your year-end financial statements. These forms typically arrive by mail or become available online between mid to late January. Review each form carefully for accuracy and contact the issuer promptly if corrections are needed.

APCI FCU members can easily access their APCI FCU year-end tax statements and monthly account statements online with APCI eStatements through APCI eBanking or the APCI eBanking Mobile App.

As you gather your documents, keep in mind that most income is taxable. Be sure to report all earnings, including income from part-time jobs, side gigs, or sales of goods.

What Is New for Tax Year 2024

Credit amounts such as the Child Tax Credit (CTC), Earned Income Tax Credit (EITC) and Dependent Care Credit can change from year to year. Check for updates on credits that could affect your return.

Take Advantage of IRS Resources and Tools

IRS online tools are available 24/7, offering easy access to essential tax information and convenient payment options. IRS.gov provides resources in multiple languages and has enhanced services for people with disabilities, including the Accessibility Helpline.

Taxpayers are encouraged to rely on IRS.gov as their primary resource for accurate and up-to-date tax information. By taking advantage of these online resources, taxpayers can simplify their filing experience and stay informed during the process.

IRS.gov offers the following resources and tools to help you stay informed and be prepared:

- **Let Us Help You.** This page on the IRS.gov website links to a wide range of topics and resources to assist with various tax needs.
- **User Accounts.** Online accounts give taxpayers a secure way to access their personal tax information, including tax return transcripts, payment history, certain notices, prior year adjusted gross income and power of attorney information. The online account gives users the ability to verify their name and address. If your address has changed, you should contact the IRS. If your name has changed, you should contact the Social Security Administration to avoid delays with your tax return.
- **Interactive Tax Assistant (ITA).** This tool answers commonly asked tax questions, helps determine if income is taxable, and checks the eligibility for credits and deductions. It can also provide guidance on filing requirements, filing status, and claiming dependents.
- **Where's My Refund?** The status of refunds can be checked by using this tool. For mailed paper returns, updates are normally visible four weeks after the tax return is mailed. For e-filed returns, refund information is available within 24 hours after the IRA receives the tax return. The tool updates once a day.

- **Retirement plans.** IRS.gov offers valuable end-of-year resources on retirement planning, including guidance on contributions and withdrawals. Individuals can find information to help them make informed decisions about their retirement savings.

Tax Tips to Keep on Your Radar

Filing your taxes does not have to be stressful. With a little preparation and attention to details, you can avoid delays and potentially increase your refund. Below are a few tips to keep in mind.

Charitable Donations

Review all donations you have made throughout the calendar year. To deduct a donation on your tax return, contributions must be made to a tax-exempt organization by December 31st.

Most cash donations qualify, including those made via check, credit card, or debit card. However, some exceptions apply, so verify eligibility before claiming a deduction.

Set Up Direct Deposit

Direct deposit is the fastest and safest way to receive a tax refund. Filing electronically and having a refund received by direct deposit reduces the chances of your return or refund being lost, stolen, or destroyed.

To enroll in direct deposit when filing electronically, select it as your refund method and enter your account and routing number for your financial institution. If you use a tax preparer, inform them that you would like your refund via direct deposit and provide them with your financial account information or a voided check.

Think About Tax Refunds

While filing electronically with a direct deposit is the quickest way to get a refund, it is important not to rely on receiving the refund by a specific date. Refund amounts can change from year to year depending on a variety of factors. Do not plan to use refund money for major purchases or bills before you receive it.