



It's Beginning to Feel a Lot Like Tax Deadline

Don't Antagonize the IRS

By Kevin Bourke

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Dear Kevin, there are only days left until April 15th. What are the most common mistakes taxpayers make on their returns? How can I be sure to avoid them?

Sheila from Montecito

Both the IRS and the California Franchise Tax Board have lists of the top mistakes we taxpayers keep making year after year. Here are some of the highlights:

Selecting the wrong filing status: **We may think we're the head of our house**, but our definition is probably different from the IRS definition. So be sure to read the instructions for Form 1040 before making this decision. If you select the wrong status, you may miss out on various credits and exemptions.

Failing to compute Alternative Minimum Tax (AMT): **AMT was created to force very high income earners to pay more tax**. Unfortunately it is not indexed to inflation, so more and more taxpayers fall under this tax. In fact, this year an estimated 19 million Americans will owe AMT, including over half of those earning over \$100,000.

Using the Earned Income Credit when the taxpayer does not qualify or not using it when they do: The Earned Income Credit was developed to assist the lowest income earners. Sadly, many of them lack the sophistication to understand and use the credit. Conversely, **many who claim the credit don't qualify**. [Learn whether you qualify](#).

Frequently Social Security Numbers are incorrect or illegible: Double check the numbers, and be sure to write clearly.

Amended Returns: Be careful when amending returns. One of the most common errors is made when **transferring numbers from the original return to the amended return**. Be sure your numbers match.

And the single most common mistake? Failing to sign and date the return. Typically one spouse will sign but not the other. I know because I've done this one. **Be sure to have your spouse sign the tax return** before mailing!

Did you know that the **IRS offers free tax preparation by volunteers?**

Its **Volunteer Income Tax Assistance (VITA) Program** provides free help to people with low incomes (typically \$40,000 and below). **Tax Counseling for the Elderly (TCE)** offers free tax help to people age 60 and older. As part of the TCE program, the **AARP (American Association of Retired People)** offers the Tax Aide counseling program all over the country.

Among other things, the trained community volunteers can help you with special credits such as the Earned Income Tax Credit, Child Tax Credit, and Credit for the Elderly.

For information on VITA or TCE call 1-800-829-1040.

For more information on AARP's Tax Aide program call 1-888-227-7669 or find the [closest Tax Aide center](#).

The military also has a Volunteer Income Tax Assistance (VITA) Program. The Armed Forces Tax Council oversees the operation of the military tax programs worldwide. Marines, airmen, soldiers, sailors, and guardsmen, and their families receive free tax preparation assistance.

Sheila, this information is not intended to be a substitute for specific individualized tax, legal, or investment planning advice. I suggest that you discuss your specific tax issues with a qualified advisor.

Few things send chills up the spine like opening your mailbox and seeing an envelope from the IRS. But by reviewing just a few simple items, you may be saved this expense and irritation.

Kevin Bourke is a registered principal with and offers securities through LPL Financial, Member FINRA/SIPC.