Getting Organized For Tax Time

Whether you do your own tax return or have a brilliant accountant who can find every available loophole, having supporting documentation is key to maximizing your return (or minimizing what you owe!). While many tax documents arrive during the month of January, other important papers are accumulated and saved year-round.

Collecting and organizing documents for taxes is really not that difficult, it just requires a designated system be in place every year. A system for keeping your documents organized can be as simple as a few file folders to a more sophisticated solution like the Smead All-In-One Tax Organizer.

No matter what system you use, one of the first things you need to do is to separate your documents into three categories: Income, Expenses, and Taxes. The most common documents in these categories include:

INCOME:

- Payroll stubs
- W2's
- 1099's
- Annual statements from your financial institutions
- Dividend distribution statements
- Rental property income statements

EXPENSES:

- Charitable giving receipts
- Mortgage interest statements
- School/tuition expenses
- Medical savings account contributions
- Alimony paid
- Self-employed health insurance payment records

TAXES:

- Copies of your quarterly or estimated tax payments
- Real estate tax statements
- Previous year income tax returns (state and federal)

Getting organized for tax time is a year-round effort, but is doesn't have to be difficult. Creating a "home" for tax documents will make completing your taxes every year quicker, easier and less stressful. And who can't benefit from a little less stress?