

Organizing Tips for Tax Time

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The average American spends 400 hours per year searching for paper documents – Datapro/Gartner Group. It's no wonder that tax season brings anxiety and stress to so many people! Use the following tips to help you reduce stress while preparing your taxes:

Tip #1: Use a Tax Preparation Checklist

- Having a checklist will help ensure you have all the necessary paperwork to complete your tax return. You can download a free tax preparation checklist from TurboTax by clicking on the following link: <http://turbotax.intuit.com/tax-tools/tax-tips/tax-planning-and-checklists/5572.html>

Tip #2: Keep a Tax File

Having a filing system to gather tax related records throughout the year can save you hours of hunting for lost documents. The following filing systems range from the simplest to the more complex. Choose one that fits your personality and work style:

- File by Year—this is the simplest filing system and works best for those who hate filing. Each day empty your pockets, purse, and/or briefcase of all tax related documents or receipts into a shoebox, hanging file, manila folder, or manila envelope labeled as “taxes”.
- File by Month—this system works best for those needing to reference records on a month-by-month basis, or for those needing to track monthly expenditures (i.e. medical bills, alimony, elderly care, and so forth). Keep tax related documents sorted by month into file pockets, hanging files, manila envelopes, manila folders, a binder, or an accordion file.
- File by Category—this system works best for those who have several tax deductions to file each year (i.e. small business owners, those with large medical expenditures, and so forth). Use an accordion check file, hanging files, or manila folders labeled with last years tax deduction categories. When you run across tax related documents, immediately file them under the appropriate category.

Tip #3: Go Paperless

- Scan receipts into your computer and keep these filed by year, by month, or by category. This helps prevent the frustration of lost or faded receipts. At the end of the year, download receipts onto a CD and store with your tax return.
- Download checks, bank statements, and medical bills showing tax related information and keep these filed electronically by year, by month, or by category.
- Keep track of charitable deductions by using “Its Deductible”, a free online software program by TurboTax. This program automatically assigns a value for each item you donate. It also automatically downloads your charitable deductions into TurboTax to help simplify tax preparation. This free online program is available by clicking on the following link:
<https://itsdeductibleonline.intuit.com/AuthLogin.html?command=create&prodid=0&url=https%3A%2F%2Fitsdeductibleonline.intuit.com%2Fsecured%2FWelcome.htm&partner=direct>

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