

# TAXES AND BENEFITS HANDOUT

## Tax Tips

- Make sure you remember to list on your tax form all eligible dependents (people who rely on you for over half of their financial support). Don't forget anyone, like elderly parents or foster children or you might miss out on important tax savings.
- If you are single and have a dependent (someone who relies on you for over half of their financial support) living with you, check and see if you are eligible for lower taxes as a head of household or surviving spouse if your spouse has died. (See the handout "Choose the Best Filing Status")
- Keep copies of all documents, forms, receipts and other papers, you send to the government. Never send original, irreplaceable documents like receipts or check stubs. If the IRS or the US Postal Service loses your return and payment, it is your responsibility to make sure you have a copy to provide them so you can get your money.
- Always use certified mail for all important correspondence with the government. You can ask for certified mail at the post office and it provides extra security, so you know that the government got your documents. It costs \$2.30.
- Make sure you write your social security number, form number and tax year on all checks made out to the government.
- Consider filing on the Internet- It is harder to have mistakes on the form, you know that the government has your form on time, and most important, the government promises that you will receive your refund twice as fast- in about two weeks instead of the usual ten.

Documentation you should keep includes:

- Canceled checks. At a minimum, keep them for at least 6 months. Ones that are from expenses you applied for a tax benefit for, like education or childcare, should be kept for at least 7 years. When you aren't sure if a check is important, keep it.
- Tax Records. You should keep copies of all forms you send to the government for 6 years. This includes 1040 forms, Earned Income Credit Forms, W-2 forms and any other forms you sent to them. If you make a major purchase like a house or a car, you should keep all documents about this purchase until you sell that house or that car.