



## 7 Ways to Make Tax Prep a Breeze

Whether you plan to complete your tax returns yourself or hand things over to a professional, few people relish the prep work that comes with filing their annual income tax returns. However, there are ways to take much of the pain out of this annual ritual, starting with the seven tips provided below.

### 1. Make tax prep a year-round endeavor

Year-round preparation is the best way to avoid spending an agonizing weekend or two buried under piles of paperwork and spreadsheets. While it may seem late in the game to put a year-round strategy in place, there is still time to reap efficiency gains this tax season while setting yourself up for future success.

### 2. Organize as you go

It all starts with organization. Take time now, while taxes are top of mind, to create a system of folders to house documents and receipts as they become available. Ideally, you want to create digital folders that are housed on a secure remote server managed by a reputable cloud service provider, rather than storing documents on your local hard drive. This will allow you to easily scan or upload documents and receipts as you make charitable donations, pay out-of-pocket medical costs, or incur business expenses if you're self-employed.

### 3. Separate business and personal finances

If you're self-employed or own income producing real estate, consider maintaining dedicated bank accounts and credit cards to easily track business or rental income and expenses.

### 4. Use technology to track expenses

Numerous apps are available to help individuals and business owners track and categorize expenses, including QuickBooks, Keeper Tax, and Expensify. Some even scan bank transactions for missed deductions. Apps like MileIQ and Everlance automatically track mileage for rideshare drivers and others who may qualify to deduct mileage.

*During tax season...*

### 5. Determine if you will take the standard deduction or itemize

Generally, taxpayers should itemize on Schedule A (Form 1040) if the total amount of their allowable itemized deductions is greater than the standard deduction. However, there are situations where taxpayers can't use the standard deduction or their standard deduction is limited because another taxpayer claims them as a dependent. Consult with a tax professional if you have questions about your filing status.

For the 2025 tax year (returns filed in 2026), the standard deduction amounts are:

- **\$15,750** for Single; Married Filing Separately
- **\$31,500** for Married Filing Jointly; Surviving Spouse



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- **\$23,625** for Head of Household
- **Age 65 or Older/Blind:** An extra **\$1,600** for Married Filing Jointly; Married Filing Separately; Surviving Spouse and **\$2,000** for Single; Head of Household
- These amounts are subject to IRS adjustment, eligibility and qualification.

**New Senior Deduction:** Effective for tax-years 2025 - 2028, an **additional \$6,000 (\$12,000 for married couples)** deduction is available for qualifying taxpayers age 65 or older on top of the above listed deductions. Note that this deduction is available to qualifying taxpayers whether they itemize or take the standard deduction and it begins to phase out for taxpayers with marginal adjusted gross income (MAGI) of \$175k for Single taxpayers and \$250k for Married Filing Jointly. These amounts are also subject to IRS adjustment, eligibility and qualification.

## 6. Take advantage of IRS resources

Visit IRS.gov for tools, forms, and answers to common questions about tax rates, deductions, credits, filing deadlines, extensions, penalties, and more. While the IRS Direct File pilot program has been discontinued, you can still file your 2025 tax returns at no cost through the IRS Free File program, using guided software from private partners if your 2025 adjusted gross income (AGI) was \$89,000 or less. If your income is higher, you can use Free File Fillable Forms for basic electronic filing. Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) are also available for qualifying taxpayers.

## 7. Avoid unnecessary penalties

Year round prep can go a long way toward helping taxpayers meet filing deadlines. However, if you do need extra time, a tax extension gives you an extra six months to file your tax return (usually to October 15), but it is not an extension to pay your taxes. You must still estimate and pay any taxes owed by the April 15 deadline to avoid penalties and interest.

This information is not intended as tax advice. Contact a tax professional with questions about your specific tax situation and circumstances.

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