

BANK 34

5 Ways to Prepare for Tax Season

With tax season deadlines quickly approaching, it is the perfect time to get organized and make a plan for Tax Day. From documentation to financial decisions, this time of year can be stressful and may feel overwhelming. If you plan ahead and don't procrastinate, you will feel more prepared through the filing process. Here are five steps you can take today to make filing your taxes a breeze.

1. Choose a tax preparer.

One of the first steps to take when filing your taxes is to determine if you feel comfortable to file on your own or if you would like the help of a professional. If you don't feel confident filing on your own, take your time to do research on the professional help available. Always make sure your tax preparer has a [valid credential](#) and a Preparer Tax Identification Number, which indicates they can legally file federal tax returns on your behalf. You should also check with the Better Business Bureau for credibility and ask about service fees ahead of time. Since you will be providing a lot of personal information to your preparer, it is important to find someone you trust. Planning ahead when selecting your preparer can help you feel more confident throughout the whole process.

2. Prepare important documents.

There is a lot of paperwork that is needed on-hand when filing your taxes which can feel stressful and overwhelming. You will feel more organized by gathering these records early-on in the process. To have all documentation easily available, you can start a file or basket to keep everything all in one place. Keep in mind, some of these documents may be available electronically. To stay organized you can create a digital file to keep track of these e-documents.

Some common forms you may need when filing include, but are not limited to:

- W-2 from your employer
- 1099 Forms for any contracted or miscellaneous incomes
- Form 1098, for mortgage interest paid
- Record of expenses – medical, childcare, educational
- Retirement information – 401(k), IRA, Pension
- Statements of investments

You should also make sure you have personal information gathered for yourself, your spouse, and dependents, if applicable. Keep record of social security numbers, date of birth, and income amounts for anyone you plan to include on your return. Having this information prepared ahead of time can help speed along the filing process.

BANK 34

3. Track your income to verify the information matches your employer.

Employers are required to send out taxable income paperwork, such as W-2s, by January 31st. If your income is commission based or you have various sources of income, it can be helpful to begin tracking your estimated income amounts ahead of time to ensure the information is accurate and consistent across all paperwork.

Bank 34 makes it easy to track your income and deposit statements with e-banking. With our [mobile](#) and [online e-banking](#), you have access to your accounts 24/7 and can quickly reference your funds from your smartphone or other devices. This can help during the filing process to be able to compare deposits and amounts quickly and efficiently.

4. Save documentation for any deductible items.

The IRS has a variety of tax deductions and credits you can consider before filing your taxes. A [tax deduction](#) is an incentive to reduce your taxable income through donations and other contributions. Some common tax deductions and credits include:

- Student loan interest
- Mortgage interest
- 401(k) contributions
- Charitable contributions
- And more

You can choose to itemize your deductions or take the standard deduction. If you choose to itemize your deductions, you will need to keep record of all of your contribution receipts for verification. Optimizing your deductions is a great way to lower your tax payments so it can help to do your research on all the options available.

Business Tax Deductions

If you are a business owner, you may be able to deduct business expenses. You will need to share your income and expense records with a Schedule C form. At Bank 34, you can easily track your business transactions with [cash management e-banking](#). E-banking allows small businesses and larger commercial companies to easily manage your business finances and can help the filing process run smoothly.

5. Plan Ahead for Tax Payments or Returns

You may not know ahead of time whether you will be receiving a tax refund or if you will be required to owe additional tax payments. In either case, you should be prepared and feel confident before filing.

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Tax Payments

You can prepare for a potential tax payment by setting aside funds ahead of time. Some ways you can prepare for potential tax payments includes:

- Estimate tax payments and adjust your budget ahead of time.
- Maximize charitable contributions.
- Start contributing to a savings account.

With Bank 34, you can set up a savings account with automatic deposits so you can save year-round for a potential expense during tax season. The earlier you begin saving, the better off you will be by Tax Day.

Tax Refund

If you receive a tax refund, it is a great idea to get direct deposit set up with your preparer so your return can go directly into your account. This ensures a quicker turnaround time to when the funds will be available to you. You also won't have to wait for a check to arrive in the mail or worry about the check getting lost.

With Bank 34's online banking, you can easily access your account information and routing numbers to provide to your preparer for your refund. You can also receive notifications when the refund has deposited in your account to keep track of the information.

Stand Independent with Bank 34

Bank 34 is here to help answer any questions to help you manage your finances. Our personalized and authentic way of doing business continues to make customers feel supported through all of our services. We have the resources you need to feel confident with your finances this tax season. [Contact us](#) today!