

EXTENSION NOTES



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It's Tax Season - Be Prepared with these Tips

This is the time of year when we start thinking about filing our income taxes. Even though it's an annual event, it can cause anxiety for many. By preparing now, you can ease the process for yourself or your tax preparer.

Begin by gathering the necessary forms including your social security number and that of your spouse if filing jointly, plus the numbers of any dependents. In addition to W-2 forms, you want to include information about any taxable interest you earned from savings accounts, stocks, mutual funds and virtual currency transactions. You will need to gather other 1099 forms from any earned compensation, including unemployment compensation, pension distributions, annuity or retirement plans, or contract employment.

Additionally, have a copy of last year's federal and state tax returns accessible, and your bank account and routing number to receive any refunds by direct deposit. Depending on your circumstances, you may need to include Form 1095-A, Health Insurance Marketplace Statement, if anyone in your household enrolled in a Marketplace plan in 2024.

One of the largest deductions many people can claim is mortgage interest. If you have a mortgage, you should have a 1098 form from your lender specifying how much interest you paid in the last year. Mortgage interest and points may be tax deductible if you itemize. Learn more at <https://www.irs.gov/taxtopics/tc505>.

If you expect a refund, different factors may impact when you receive your return. The IRS issues most direct deposit refunds within 21 days, however, certain factors may affect refund timing. Returns that require additional review can take longer, as well as paper returns (i.e., a mailed check). Claims involving tax credits that need verification may delay processing times. Further, incomplete information, errors, or missing documentation, like W-2 and 1099 forms, may cause delays.

To receive your refund quickly, electronically file your taxes as early as possible and choose the direct deposit option.

If you owe the IRS money this year, you may want to consider changing your withholding status with your employer moving forward. This will allow the employer to withhold more money from your check throughout the year, so you're not hit with a big payment next year.

For general information on filing taxes this year, visit <https://www.irs.gov/individuals/get-ready-to-file-your-taxes>.

If you have questions about whether certain tax laws apply to your individual circumstances, consider using the IRS Interactive Tax Assistant tool at <https://www.irs.gov/help/ita>. This free online tool can help you

determine if you need to file a tax return, your filing status, if you can claim a dependent, if your income is taxable, tax credit eligibility, or if you can deduct certain expenses.

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