



Robert W. Wood

THE TAX LAWYER

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Make Your Tax List And Check It Twice

Christmas lists may be long gone, but tax lists should be perpetual. Unfortunately, many people start thinking seriously about taxes only when Forms [1099](#) and [W-2](#) show up in the mail—usually around January 31. From then until April 15, we think taxes.

Year-End? The best tax lists are of items to consider *before* year-end, so those chances are long gone. For late in 2011, consider year-end charitable contributions, paying property taxes, prepaying state income taxes, and more. Consider selling gain and loss assets too. See [Tea Leaves And Tax Moves In 2010](#). Once the year ends, it's too late for most things.

Retroactive Benefits? There are some tax decisions you can make in 2011 that directly impact your 2010 taxes. Many relate to retirement. It's not too late to make some kinds of retirement contributions for the year just ended.

In many cases, the deadline is tax return filing time, in most cases including the automatic extensions discussed below. One such provision: if you [converted](#) your ordinary IRA into a Roth IRA in 2010, you have until October 17, 2011 to decide whether to use the option of deferring conversion income into later years.

Forms W-2 and 1099. As you get ready for your own tax return filing season, watch for Forms W-2 and 1099 to come in the [mail](#). Collect them all and put them aside but first open them to insure they are correct. If

there's an obvious error, point it out right away. See [IRS Form 1099 Wars](#) and [I'm Sending An IRS 1099: Are You Outta Your Mind?](#)

Do it Yourself? Consider now whether you'll file yourself or hire a preparer. Don't try to hire a preparer in April. In fact, it's best not to wait until March either. The best way to avoid the last minute scramble is to be proactive. If you're not sure whether you want to do your own return or hire a professional, do some checking.

You might buy [TurboTax](#) or one of the other commercially available software programs. Try it out and see if you can manage. Also try the [IRS website](#), which makes [filing yourself](#) quite easy.

Although preparing a tax return has gotten more complicated in recent years, prompting more access to paid preparers, there are more resources available today that make it easier. On balance, I'd say it's far easier to do your own taxes today than most people realize. That doesn't mean it's for everyone.

Filing Status. If you do take a stab at return preparation yourself, say with TurboTax or another commercial software and you're married, compare married filing separate versus joint. Think carefully about this [issue](#).

Extensions Anyone? Another big issue is whether you'll file on time or need an [automatic extension](#). Automatic extensions are now six months. They used to be only four, unless you had a good reason for needing the extra two. A six month extension means your April 15 due date becomes October 15.

But keep in mind this deadline is only to ***file*** your return, not to ***pay***. Even if you can't file your return until October you must figure out how much to send the IRS with your extension by April 15. If you don't, you'll be [penalized](#).

One answer is to guess high and get a [refund](#) when you file. A better answer is to rough out your return and figure what you think you'll owe and send that in with your extension. Even though you intend to get an

extension, you may find that roughing out your return makes you want to go ahead and file on time.

However you choose to tackle your return, allow yourself time to consider it carefully or to have your tax professional do so. Don't wait until the last minute.

*Robert W. Wood practices law with [Wood & Porter](#), in San Francisco. The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009, [Tax Institute](#)), he can be reached at wood@woodporter.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.*