

# Consumer Information

## Income tax filing tips for January

NORTH PALM BEACH, Fla. (1/11/10)--Although income tax returns are not due until April 15, you'll want to avoid the rush by filing early. Plus, if you're getting a refund, you'll get it all the sooner (*Bankrate.com* Jan. 5).

Here are eight steps to take now:

1. *Check out Internal Revenue Service (IRS) Schedule M.* This is the new tax document you'll use to account for the Making Work Pay credit you got last year in your paychecks. You'll find out whether you're fine or whether you'll lose some of the credit when you file your return.
2. *Get ready for the arrival of records.* If you don't already have a Tax Tickler file, select a single location (even if it's just a large envelope) to collect your W-2s, statements, and other tax-related documents as they arrive. If you receive records electronically, create a "2009 taxes" folder or subdirectory.
3. *Contribute to an individual retirement account (IRA).* Most Americans can contribute \$5,000 to a Roth or traditional IRA for 2009 (\$6,000 for those age 50 and older) until the tax filing date.
4. *Find your forms.* If you file electronically, get your software lined up. If you file by paper, you can get forms from a public library or at IRS.gov.
5. *Decide how you want to do your taxes.* Are you a do-it-yourselfer or should you hire a pro? Do you prefer pen and paper or a computer? Now's the time to decide.
6. *Consider electronic filing.* If you decide to use your computer to calculate your taxes, consider taking the next step and file electronically. E-filed returns are processed in about half the time of paper ones, according to the IRS. This filing season, taxpayers with adjusted gross income of \$57,000 or less in 2009 can file at no cost via the IRS program when it kicks off on Jan. 15.
7. *Use direct deposit.* Regardless of whether you file electronically or the old-fashioned paper way, this year have your refund check directly deposited into your credit union account. It's the fastest way to get your return.
8. *Stay calm.* Tax filing makes everyone a little nervous, but when you start early, you have time to get the answers and make sure you're taking full advantage of every tax break for which you're eligible.

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