WAITED TILL THE LAST MINUTE TO FILE TAXES? HERE'S HOW TO GET THEM IN UNDER THE WIRE STRESS-FREE

Beth Braverman | April 4, 2019

You may be ready to say "Thank you, next," to 2018, but Uncle Sam hasn't closed the book just yet.

The Tax Cuts and Jobs Act brought about a lot of changes this year, but unfortunately the deadline to pay Uncle Sam remains unchanged — and April 15 is now looming large. But just because the clock is ticking (and ticking) doesn't mean it's a lost cause. You can still make it in under the wire without too much stress if you follow this guide.

ORGANIZE YOUR DOCUMENTS

Half the battle when it comes to filing your taxes is gathering all the documentation and data you'll need. This includes last year's tax returns for reference, a W-2 from your employer, and statements from your taxable accounts, mortgages or student loans. Many (if not most) of these documents will have come in the mail (or e-mail) clearly labeled as "Important Tax Return Information." Hopefully, you set them aside when you saw them come in.

"It can be easy to lose track of papers when you get them on January 15, and you don't need them for another month," says Terry Eisert, founder and owner of Eisert Wealth Management in Cincinnati, Ohio. If you didn't put a file on your desk and label it "tax info" or at least start stashing them in your "drawer of important things" or other place where you put stuff you know you'll someday need start digging for the papers now.

In addition, if you did any freelance or contract work this year, you'll need to snag any 1099 forms. (And whether you get a 1099 or not, you'll need to declare any freelance or "gig" income on your taxes.) And, if you're planning on itemizing deductions (more on this in a moment) or claiming certain credits, you'll need supporting documentation. This may include receipts for small-business expenses, for example, as well as for charitable donations and medical expenses.

EXPECT SOME SURPRISES

If you haven't already read about the tax law changes that have left some people owing more money than they suspected they would at the end of the year (or alternatively left them with a lot of questions) note that this filing season has brought about some big shifts. For example, the standard deduction nearly doubled (from $6,350 to $12,000 for individuals, and $12,000 to $24,000 for married couples filing jointly. The deduction for heads of households is now up to $18,000). The law also capped the amount you can write off for mortgage interest and property taxes and eliminated the deduction for home equity loans and lines not being used to improve your property, so even if you itemized in the past, it may make sense to take the standard deduction this year. Thankfully, whatever version of tax software you're using or your human tax preparer can walk you through the changes if you're still unsure how to proceed.

Overall, tax rates went down, but the IRS also changed the way employers calculate withholding, and many people may not have paid enough taxes throughout the year. The good news is that the IRS is waiving the penalties it usually levies on taxpayers who didn't pay enough throughout the year, but you still may end up with a tax bill. You'll want to take steps now to remedy a deja vu experience when you file next year.

How? By changing your withholding. If you didn't revisit yours as the IRS suggested midway through 2018, you may have underwithheld under the revised withholding tables. You may even have started receiving slightly more in each paycheck without realizing it. (Damn you, direct deposit.) "There are a lot of people, who even though the tax amount they're paying is lower, may end up owing money, or they may not get the same amount that they're expecting," says Eve Davis, president of In or Out Tax Services in Portland, Oregon.

CONSIDER ADDITIONAL IRA CONTRIBUTIONS

There's still time to lower your tax bill and put away some additional money for retirement. Tax deductible IRA contributions made through April 15 still count against your 2018 taxes. You can put up to $5,500 into an IRA ($6,500 for those age 50 and older) as long as you earn less than $63,000 as a single filer, or $101,000 for a couple filing jointly. The deductibility phases out as your income increases, and depending on whether you have access to a workplace retirement plan.

Also, if you have 1099 income, you can contribute up to $55,000 in 2018 or 25% of your earnings into a SEP IRA. Just make sure that you indicate your contributions are going toward the 2018 tax year, and not 2019.

SET YOURSELF UP FOR NEXT YEAR

If this year you find yourself in a crunch before April 15, unsure what the new tax law may mean for you, now is the perfect time to prepare for next year, and ensure you don't find yourself right back here again. If you owed a lot of money, for example, you might want to consider increasing your withholding at work. It's easy — just talk to HR and ask them for a fresh W-4, on which you'll elect to have more withheld throughout the year. You can use this withholding calculator if you need help figuring out how much. Also, if there were documents you had trouble finding or you didn't keep the best records, start channeling your inner Marie Kondo now to make changes that could make the process even simpler next year. You may find it's easier than you thought to set yourself up for success in 2019.

Own your money, own your life. Follow us on social to get the latest money news and tips!

Related Topics: doing taxes · filing taxes · filing taxes late · last minute taxes · late fees · late taxes · tax · tax deductions · tax filing · tax law · tax penalty · tax prep · tax return · tax strategies · taxes

RELATED CONTENT

TAXES

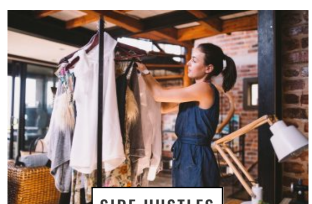
KNOW YOUR TAX STRATEGIES: WHAT IS 'LUMPING AND CLUMPING'?

by Maggie Klokkenga, CPA, CFP®

BUDGETING

TOP 5 MONEY TRADE-OFFS (AND HOW TO TAME THEM)

by Jeannie MacDonald



SIDE HUSTLES

IF YOU'VE JUST 'BROUGHT JOY' TO YOUR CLOSET, HERE ARE THE 5 BEST PLATFORMS TO SELL YOUR STUFF ONLINE

by Rebecca Jones

TAXES

KNOW YOUR TAX TERMS: WHAT IS A DONOR-ADVISED FUND, AND HOW DOES IT BENEFIT YOU?

by Maggie Klokkenga, CPA, CFP®