

C R Williams & Company

Take steps now to make filing your tax return easier next year

Begin taking steps now to ensure smooth processing of your 2016 federal tax return next year.

Be sure to make a copy of your 2015 tax return and keep it and all supporting documents for a minimum of three years. Doing so will make it easier to fill out a return next year. In addition, you may need the adjusted gross income amount from your 2015 return to properly e-file your 2016 return.

Check your withholding. This is especially important if you received a large refund or owed a larger than expected amount of tax this year. You can reduce a large refund amount and boost your take-home pay now by claiming additional withholding allowances on the Form W-4 and give it to your employer. If you owed tax, you can have additional tax withheld or make quarterly estimated tax payments to the IRS. For help, use the Withholding Calculator on IRS.gov.

You should not count on getting a refund by a certain date next year, especially when making major purchases or paying other financial obligations. Though the IRS issues most refunds in less than 21 days, some returns are held for further review. In addition, starting next year, some people will get their refunds a little later. A recent tax law requires the IRS to hold the refund for any tax return claiming either the Earned Income Tax Credit (EITC) or Additional Child Tax Credit (ACTC) until February 15. By law, the IRS must hold the entire refund, not just the portion related to the EITC or ACTC. Starting February 15, the best way to check the status of a refund is with the Where's My Refund? tool on IRS.gov or the IRS2Go Mobile App.

You may need to renew your ITIN. All ITINs not used on a federal tax return at least once in the last three years will no longer be valid for use on a tax return as of Jan. 1, 2017. Additionally, all ITINs issued before 2013 will begin expiring this year, starting with those with middle digits of 78 and 79 (Example: (9XX-78-XXXX)). All expired ITINs must be renewed before being used on a U.S. tax return. No action is needed by ITIN holders who don't need to file a tax return next year. Also, there are new documentation requirements when applying for or renewing an ITIN for certain dependents. Find more information at IRS.gov/ITIN.

The recent tax law change also includes a new requirement for employers. They must now file their copies of Forms W-2 and certain Forms 1099 with the federal government by January 31. The January 31 deadline has long applied to employers furnishing copies of these forms to their employees. In addition, IRS.gov has many ways to get help from the IRS with social media. If you have a smartphone, we have a free app. IRS2Go is available in both English and Spanish. If you like YouTube, we have lots of videos to help you file. If you're on Twitter, follow the IRS for the latest tax news and information.

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