Year-round tax planning is for everyone

Just because you filed your tax return, it doesn't mean you don't need to think about taxes for the rest of the year. What you do now may affect any tax you could owe or refund you may expect next year.

Check withholding

Since federal taxes operate on a pay-as-you-go basis, you need to pay most of your tax during the year as you earn income. It's a good idea to make sure you're not having too little tax withheld, which could lead to a smaller than expected refund or even a tax bill. You may also want to ensure you aren't having too much tax withheld, if having that extra money in each paycheck is more helpful than getting a larger refund when you file. Use the **IRS Tax Withholding Estimator** to check your withholding when personal or financial information changes occur due to a life event, like getting married or divorced, having a baby or getting a raise at work. You'll need to give your employer an updated **Form W-4** to change how much tax is withheld from your paycheck.

Organize tax records

Develop a recordkeeping system—electronic or paper—that keeps your important info together. Add tax records to the files as you receive them. This includes year-end Forms W-2 from employers, Forms 1099 from banks and other payers, other income documents and records of virtual currency transactions. Having records organized makes preparing a tax return easier. It may also help you discover potentially overlooked deductions or credits. **View your account information** to see information from your most recently filed tax return. **Notify the IRS** if your address changes and **notify the Social Security Administration** of a legal name change to avoid a delay in processing your tax return.

Identify filing and dependent status

Your filing status is used to determine filing requirements, standard deduction, eligibility for certain credits, and the correct tax. Use the **Interactive Tax Assistant** to help determine which filing status is right for you. You can also use the interactive tool to determine if you're eligible to claim a dependent on your tax return.

Know how life events can affect your taxes

Life events, such as purchasing a home, going to college or losing a job, may make you eligible for certain tax benefits. Finding out your eligibility ahead of time can help make filing your tax return easier. Other circumstances, such as getting married or divorced, having a baby or experiencing the death of spouse or a dependent you claim, could also affect your tax benefit eligibility and filing status. Go to **IRS.gov/ita** to get answers to your tax questions about filing status, credits and deductions. To learn more about managing your taxes after a life event, visit **IRS.gov/lifeevents**.

Know how Adjusted Gross Income (AGI) affects your taxes

Your AGI and tax rate are important factors in figuring your taxes. AGI is your income from all sources minus any adjustments or deductions to your income. Generally, the higher the AGI, the higher the tax rate, and the more tax you pay. Tax planning can include making changes during the year that can lower your AGI. There are several ways to reduce your AGI, including contributing to a retirement account or Health Savings Account, claiming educator expenses if you're a qualifying educator, and paying student loan interest.

Be prepared to claim tax credits and deductions

Taxable income is what's left over after a taxpayer subtracts any eligible **deductions** including their **standard deduction,** from Adjusted Gross Income. Most taxpayers take the standard deduction, but some may choose to itemize deductions because it could lower their taxable income even more. As a general rule, if your itemized deductions are greater than the standard deduction, you should itemize. Use the **Interactive Tax Assistant** to see whether itemizing is right for you.

Taxpayers can subtract **tax credits** from the total amount of tax. Parents may qualify for credits, like the Child Tax Credit and Child and Dependend Care Credit. Taxpayers whose dependent does not qualify for the Child Tax Credit might be able to claim the **Credit for Other Dependents**. Families with students may qualify for the American Opportunity Credit or Lifetime Learning Credit. Low to moderate income taxpayers may qualify for the Earned Income Tax Credit. Properly claiming these tax credits can reduce taxes owed and boost refunds, so you should see if you qualify.

Save for retirement

Retirement savings can also lower your AGI. Contributing money to a retirement plan at work, like a 401(k) plan, can reduce your AGI. Investing in a traditional IRA plan is another way to save for retirement and lower taxable income. Self-employed SEP, SIMPLE, and qualified plans are also retirement options that can lower AGI.

Stay connected with the IRS

The IRS has several digital tools you can use to stay updated on important tax information that may help with tax planning. In addition to visiting the IRS.gov website, you can download the **IRS2Go** mobile app, watch **IRS YouTube** videos, and follow the IRS on **Twitter** and **Instagram**.

Tax prep checklist

Below is a list of items and information you should gather prior to filing your tax return.

- Social Security numbers for you, your spouse and dependents (an Individual Taxpayer Identification Number assignment letter may be substituted for you, your spouse and your dependents if you do not have a Social Security number)
- Birth dates for you, your spouse and dependents on the tax return
- Wage and earning statements (Form W-2, W-2G, 1099-R,1099-Misc) from all employers or payers
- Interest and dividend statements from banks (Forms 1099)
- A copy of last year's federal and state returns, if available
- Bank account routing and account numbers for direct deposit
- Total paid for daycare expenses and the daycare provider's tax number, such as their Social Security number or business Employer Identification Number
- Form 1095-A, Health Insurance Marketplace Statement
- If you are married and filing a joint tax return, both you and your spouse must sign the return.