

## Are You Saving The Right Tax Documents?

By Dana E. Blozis

With tax season lurking around the corner, individuals will soon be gathering the previous year's information to prepare for what is affectionately known as Tax Day. Whether the documents are tossed in a shoebox, filed in folders or recorded in a spreadsheet or software program, everyone should save certain key documents for their tax preparer.

According to Kathy Bastow, owner of Primus Services, a bookkeeping and accounting firm in Bellingham, Washington, what you need to save depends on your individual circumstances. Someone who itemizes his deductions using the Schedule A form, for example, will save different types of information than someone who takes the standard deduction. The same is true for a tax filer who is self-employed.

### WHAT TO SAVE

Regardless of a tax filer's situation, the necessary items fall into three distinct categories: income documents, tax deduction

documents and miscellaneous. Income documents will include any W-2 or 1099 income, jury duty pay, alimony, retirement distributions, scholarships, tax refunds or other income received during the tax year.

For those who itemize, tax deduction documents will include

any receipts or documentation of health care, motor vehicle registration and job-related expenses; charitable donations; property or gambling losses; and real estate interest and taxes paid. Miscellaneous documents include any needed documents not already mentioned including moving

and educational expenses, child or dependent care receipts, IRA contributions and tax payments.

To ensure that the proper documents are saved, Bastow

---

*IN ADDITION TO SAVING THE RIGHT DOCUMENTS, IT IS ALSO IMPORTANT TO SAVE THEM IN AN ORGANIZED FORMAT.*

---

recommends that individuals talk to their tax preparer at the beginning of each year to find out what items they should be saving.

"The tax laws change all the time so it's good to be in communication with your tax accountant," Bastow says. "Is

