FOR IMMEDIATE RELEASE

CONTACT:
Shirley Twillman
202-434-9220
stwillman@aicpa.org

April 15 is 15 Days Away; Don't Overlook these Tax Filing Tips from the AICPA

Washington, D.C. (March 31, 2009) –Tom Ochsenschlager, vice president of taxation for the American Institute of Certified Public Accountants, has the following tax filing tips for taxpayers who haven't yet filed their 2008 tax return.

File your tax return by April 15, even if you cannot pay what you owe.

A taxpayer who cannot pay her or his tax bill should let the IRS know so that it can work out an alternative payment arrangement. Taxpayers who owe less than $25,000 in taxes, penalties and interest can use the Online Payment Agreement on the IRS Web site.

To get it as quickly as possible, have IRS direct deposit your refund instead of being sent a check.

Taxpayers will get their tax refund faster if they file electronically and tell the IRS to deposit it directly into their account. All they need to do is put their bank routing number and account number in the space provided in the refund section of the tax form.

Make sure you take all of the tax credits for which you're eligible.

Credits are subtracted dollar for dollar from the amount of tax owed so it is important that taxpayers double check to be sure they do not miss any. Many taxpayers can take advantage of the Hope Credit and the Lifetime Learning Credit for education expenses, the child credit for children under age 17, the credit for the expenses of caring for children and other dependents and, if their income is low, the Earned Income Tax Credit.

Using the standard deduction may cut your tax bill more than itemizing deductions.

The standard deduction for 2008 increased to $10,900 for married taxpayers filing jointly or $5,450 for single taxpayers or for married taxpayers filing separate returns. An extra bonus to using the standard deduction in 2008 is that married taxpayers can add to their standard deduction up to $1,000 and single taxpayers up to $500 for state and local real estate taxes paid in 2008. This can be a big plus for taxpayers who have paid off their home mortgages and no longer have a mortgage interest deduction.

Reduce your 2008 taxes by contributing to a regular IRA.

The IRA contribution limits rose for 2008. If a taxpayer's employer does not have a retirement plan, she or he may be eligible to take an IRA deduction on her or his 2008 return. A taxpayer may contribute up to $5,000 through April 15 (or $6,000 if they are over age 50) and still have it count as a deduction on their 2008 taxes. A taxpayer getting a refund may even direct the IRS to use it as part of their 2008 contribution to an IRA account. Many taxpayers qualify for a Roth IRA even if their employer has a retirement plan. There is no immediate deduction for contributions to a Roth IRA, but the earnings are tax-free when they are withdrawn.

- more -

Remember: State and local sales taxes are deductible.

The deduction for state and local sales taxes was renewed for 2008 and 2009. Therefore, taxpayers who itemize may choose between deducting either state or local sales taxes and state and local income taxes. This can be a big benefit for taxpayers living in states with either no income tax or low income taxes.

About the AICPA:

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with more than 350,000 CPA members in business and industry, public practice, government, education, student affiliates, and international associates.

It sets ethical standards for the profession and U.S. auditing standards for audits of private companies, nonprofit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination.

The AICPA maintains offices in New York, Washington, D.C., Durham, N.C., Ewing, N.J., and Lewisville, Tex.

# # #