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A little preparation can change the entire tax return experience. In this month's newsletter, read about how getting organized early with a clear checklist can help you gather the right information and avoid last-minute pressure.

You'll also learn how spotting easy-to-miss income sources can help you avoid a long and frustrating cleanup later, and how to find and stop paying hidden costs that are all around us.

As always, should you have any questions, please call. And feel free to forward this information to someone who could use it!



Your Ultimate Tax Filing Checklist

A smooth tax filing experience starts before your return is prepared. When your information is organized and easy to follow, everything moves faster and feels far less stressful.

This checklist gives you a simple, practical way to gather all your tax information.

- Use last year as your cheat sheet.

Start with your most recent tax return. Skim it to remind yourself what showed up last year and what's likely to appear again. This keeps you from forgetting income sources or hunting for documents you never needed in the first place.

- Lock down the basics first.

Confirm names, addresses, Social Security numbers, and bank details. Small errors here can cause outsized delays later, so handle this upfront before you touch anything else.

- Create one home for everything.

Pick a single folder, digital or paper. Give every tax-related document one clear landing spot so nothing drifts off and disappears.

- Sort documents by income or expense type. Group forms by what they represent, not who sent them. Keep job income together, side income together, and investment income together. This mirrors how a return is built and makes patterns obvious.

- Capture income that doesn't come with a form. Write down cash, side gigs, resale activity, or digital payments that didn't generate official



Reminders

- Organize filing records (1099s, 1098s, W-2s, etc.)
- Begin tax planning for 2026

The Hidden Costs All Around Us - and How to Stop Paying Them



It's tough out there. The cost of everything is going up, from healthcare to groceries. Plus the practice of companies using monthly fees as annuity income has become overwhelming.

In an effort to give you ideas and tips to cut costs, here are some common areas that are ripe for saving money.

Hidden cost #1: The habit of convenience spending

- What it looks like.

Convenience spending is the quick delivered meal, the

paperwork. If money came in, assume you need to report it on your tax return.

- **Pull records that support deductions and credits.** Gather mortgage interest, property taxes, charitable donations, medical costs, education expenses, and childcare records. When in doubt, include it with your tax documents.

- **Flag big life changes in plain language.** Make a short list of what changed last year – new job, move, marriage, divorce, baby, home purchase or sale. These details often drive tax outcomes more than numbers alone.

- **Summarize business or side income cleanly.** Provide totals instead of a shoebox full of receipts. List income, categorize expenses, include mileage and home office details, and note any estimated payments you made. Clarity here saves real time.

- **Label files like a stranger will read them.** Name documents so someone else instantly understands them. Include the year and a brief description. Clear labels prevent follow-up questions and missing pieces.

- **Note what's missing instead of guessing.** If a document hasn't arrived yet, say so. Don't estimate, round, or substitute last year's numbers. Accuracy beats speed every time.

- **Write down questions outside the documents.** Collect your questions in one place rather than scattering comments throughout your files. This keeps the review process clean and focused.

- **Do one final scan before.** Does everything make sense? If yes, you're ready to hand it off with confidence. A little preparation goes a long way. When you organize your information clearly, your tax return can be prepared more efficiently, reviewed more thoroughly, and filed with greater confidence.

delivery fee, and the upgrade that costs you more money.

- **The hidden cost.** The real cost comes from repetition. Convenience stops being a treat and becomes the default, turning small extras into a steady drain over time.

- **What to do about it.** First identify when and what you are spending it on. Then decide: Want to save a lot? Stop the practice of convenience spending. Increase savings but still leave room for spending? Keep the convenience, but be aware and selective.

Hidden cost #2: Interest expense

- **What it looks like.** Not paying your credit card bill in its entirety. Stretching the term of an auto loan or student loan to lower the monthly payment. Only paying the regular mortgage payment or paying too high an interest rate. Each example feels normal, but the common thread is paying extra interest over time.

- **The hidden cost.** Banks win. You lose. Interest quietly increases the price of everything you buy. Don't believe it? Look at your statements. Credit cards are now legally required to tell you how much you will spend in interest if you only make the minimum payments. Mortgage statements show you how much each payment is used for interest and how much actually reduces your loan balance.

- **What to do about it.** Shorten the timeline. NEVER carry a balance on a credit card from month to month. Keep paying extra principal on your loans with the goal of always paying more principal each month than

Easy-to-Miss Income Sources That Can Cause Tax Headaches Later



The IRS is getting pretty good at comparing your income reports against what you claim on your tax return. The result is a notice in the mail called a correspondence audit. If you get one, it unfortunately takes a long time to straighten it out.

In an effort to help you avoid this hassle, here are several easy-to-miss income sources and some ideas to help capture this IRS reported income when filing your tax return. Easy-to-overlook income sources.

- Side gigs and freelance work.

Extra projects and informal work sometimes feel more like favors than income. The IRS, though, still generally views any paid work as taxable. The upside is that these activities often come with deductible expenses, which can help offset the income when they are tracked from the start.

- **Selling items online.** Online selling frequently starts as a hobby or decluttering your living space. But pay attention when your sales turn profitable or more regular. Knowing where this line is can help you decide when you need to step up your recordkeeping.

- **Small amounts from accounts and apps.** Taking a moment to notice interest, bonuses, or app payments helps ensure these amounts are accounted for before tax time, when

interest.

Hidden cost #3: Cheap now, expensive later

- **What it looks like.** Buying the cheaper option because it gets the job done today.

- **The hidden cost.** The money isn't lost all at once. It leaks out through repeat purchases, repairs, and frustration. Over time, the cheap option often costs more than buying something solid once.

- **What to do about it.** Ask how long you expect to own the item and how often you'll use it.

Fewer purchases, chosen carefully, usually cost less than replacing the same thing again and again.

Hidden cost #4: Buying new or poorly rated vehicles

- **What is looks like.** Needing to own a new car, when used will do. Taking out a car loan that exceeds 75% of the vehicle trade-in value (after you drive it off the lot.) Not checking the vehicle repair rating or the purchased car's repair history before you buy. Falling for high-tech items, that have high repair costs.

- **The hidden cost.** If you get in an accident with your car, you could find yourself trapped. Your car loan could easily surpass the value of the vehicle. Poor repair history vehicles will lose their value much more quickly than others. High tech repairs may only be available at a dealership with high markups.

- **What to do about it.** When possible, buy targeted vehicles with a great repair record, both as a brand and the specific vehicle you buy. Favor models with a reputation for repairability.

they are more likely to be flagged through automated reporting by the IRS and other tax authorities.

- Refunds and reimbursements. Money coming back to you often feels like a non-event. Keeping brief notes about refunds and reimbursements makes it easier to confirm whether they're taxable and ensures they're treated correctly if questions arise later.

- Insurance payouts and settlements. Insurance payments usually need a review. Understanding what the payment covers – replacement costs, lost income, or another purpose – helps determine how it should be reported, if at all.

- Unemployment compensation. Keep all records. This one is often confusing because during COVID, the federal government temporarily made this income tax-free. It is no longer the case.

What you can do

To reduce the chances of missing these types of income, the following simple habits can make a meaningful difference:

- Keep a running list of income sources.** When money comes from outside a regular paycheck, make a quick note of it. A short entry on your phone or a simple spreadsheet creates a reliable reference later and reduces the chance of last-minute guesswork.
- Save documents as you receive them.** Tax forms, payout summaries, and transaction statements often arrive at different times. Placing them in a single digital or physical folder keeps everything in one place, so nothing is missed when you are ready to file.
- Look at spam and junk email folders.** Many vendors are now sending 1099s digitally via email. If they get tagged as spam email you may never see it. So keep a list and if you are missing a form, check these folders.
- Review accounts before**

Just as important, find a mechanic who understands these constraints and is willing to look for alternatives, and advocate for the least expensive repair that actually solves the problem.



Don't Overlook Renters Insurance

Do you rent an apartment or condo? If so, do you have renters insurance to protect your belongings and to cover you against liability claims?

A surprising number of renters don't bother with insurance. Some assume they're covered by their landlord's policy. Wrong! Usually that covers only damage to the building and liability claims against the landlord. Others say their belongings aren't worth enough to justify the cost. But add up how much it would cost you to replace everything you might lose in a fire and you'll be surprised.

In most cases, the cost of insurance is a small price to pay for the protection you'll receive.

Typical protection
Renters insurance, sometimes called a tenant policy, typically protects against three things:

preparing. Before your tax return is prepared, scan your bank accounts, payment apps, and online platforms for deposits that may not feel like income. A quick review can catch items that didn't generate an official tax form but still need to be reported.



Simple Ideas to Help Your Small Business

Here are several ideas to help your business grow and thrive.

- Understand your cash flow. One of the biggest causes of business failure is lack of understanding cash flow. At the end of the day, you need enough cash to pay your vendors and your employees. If you run a seasonal business you understand this challenge. The high season sales harvest needs to be ample enough to support you during the slow non-seasonal periods.

Recommendation: Create a 12-month rolling forecast of revenue and expenses to help understand your cash needs.

- Know your pressure points. When looking at your business, there are a few big items that drive your business success. Do you know the top four drivers of your financial success or failure? By staying focused on the key drivers of your business, success will be easier to come by.

Recommendation: Look at last year's tax return and identify the key financial drivers of your business. Do the same thing with your day-to-day operations and staffing.

1. Loss or damage to your personal belongings from fire, theft, etc.
2. Liability claims from someone injured in your apartment
3. The cost of temporary living expenses if your apartment is made uninhabitable by some catastrophe

When you buy renters insurance, you'll have to decide the amount and type of coverage. Your agent can help you estimate the value of your belongings.

You can either choose *actual cash value* coverage or *replacement value coverage*.

The first pays you the estimated value of items at the time of loss, based on their age and condition. The second pays the cost of replacing items with equivalent new items, up to the maximum value of coverage.

The second method will pay you more, but obviously the premium will be higher. Try to identify anything of special value, such as expensive jewelry or electronic equipment. You may need a policy rider to cover the full amount of these items.

A few tips:

- Bundle for discounts. You may receive a discount if you buy your renters insurance and car insurance from the same company.

- Save with roommates. If you have a long-term roommate, ask if you can take out a joint policy instead of two

- **Inventory matters.** If your business sells physical product, you need a good inventory management system. This system doesn't have to be complex, it just needs to help you keep control of your inventory. Cash turned into inventory that becomes stuck as inventory can create a major cash flow problem.

***Recommendation:** Develop an inventory system with periodic counts to ensure you do not have shrink or theft issues, and that can help identify when you need to take action to liquidate old inventory.*

- **Know your customers.** Who are your current customers? Are there enough of them? Where can you get more of them? How loyal are they? Are they happy? Several large customers can drive your company's growth or create tremendous risk should they take their business to a competitor.

***Recommendation:** Know who your target audience is and then cater your business toward them and what they are looking for in your offerings.*

- **Know your point of difference.** Once you know who your target customer is, understand why they buy your product or service. What makes you different from other businesses selling a similar item?

***Recommendation:** If you don't know what makes your business better than others, ask your key customers. They will tell you. Then take advantage of this information to generate new customers.*

- **Develop a great support team.** Successful small business owners know they cannot do it all themselves. Do you have a good group of support professionals helping you? You need accounting, tax, legal, insurance, and employment help along with your traditional suppliers.

***Recommendation:** Conduct an annual review of your resources. Be prepared to review your suppliers and make improvements where necessary.*

separate ones.

- **Know when and where kids are covered.** If you have children living away at college, check whether they're covered under your homeowners policy. Once they leave college, though, they'll need their own insurance.

- **Take inventory.** Create a thorough inventory of your belongings, recording the model and serial number of any equipment and take plenty of photos. This could be invaluable to support your claim if you ever have a loss.

Sometimes focusing on a few basic ideas can help improve your business's outlook. Please call if you wish to discuss your situation.

As always, should you have any questions or concerns regarding your tax situation please feel free to call.



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