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## Reasons to Stay in Touch With Your Tax Preparer Throughout the Year

**ALEXANDRIA, VA, September 12, 2013** – You got married. You got a job, had a baby, lost a job, moved. Your life shifted in ways that once you couldn't have imagined. Last thing on your mind is taxes.

Most taxpayers look up a professional tax preparer once a year, as deadline day looms. But during a year, most taxpayers also experience circumstances when they should contact their preparer: marriage or divorce, birth of a child, retirement, career change or a notice from the Internal Revenue Service (IRS) or other tax authority. Next March or April may be too late to fix nasty tax situations.

Among the changes and events that suggest contacting your preparer is a good idea:

**Marital:** If you're going through a divorce, find a tax preparer to discuss ramifications of dependents, alimony, childcare, or division of property. Divorce decrees also sometimes contain landmine wording that produces a different, often unpleasant, tax result.

If you changed your name as a result of a recent marriage or divorce, make sure the name on your tax return matches the name registered with the Social Security Administration (SSA). If you took your spouse's last name, or if both spouses decide to hyphenate their last names, you may run into complications with the IRS if you don't notify the SSA. Informing the SSA of a name change requires filing a Form SS-5, Application for a Social Security Card, at the nearest SSA office.

**Family size:** The birth or adoption of a child can affect tax returns, and as children get older their parents may lose certain credits. In most cases, a child can be claimed as a dependent in the year in which he or she was born. The child must have a Taxpayer Identification Number (TIN); for children born in the U.S., the TIN is generally a Social Security Number (SSN). Parents may be eligible for a tax credit for qualifying expenses paid to adopt a child, and credits may increase if the expenses involve adoption of a child with special needs.

**Career:** Not all tax changes due to career result from a raise and a bump to a higher tax bracket. You must also consider whether your employment is full time, part time, or contract. Pension opportunities or excludable benefits, such as cafeteria plans and dependent care benefits, also mean you should contact a tax professional, as do any changes in work-related deductions. Unemployment compensation generally includes state unemployment insurance benefits and benefits paid to you by the Federal Unemployment Trust Fund. If you received unemployment compensation during the year, next spring you should receive a Form 1099-G showing the amount you were paid. Unemployment compensation must be included in your taxable income.

**Retirement:** Kicking off the golden years, whether it was your decision or that of your now-former employer, may trigger penalties for early withdrawal from retirement funds or ignite taxes on Social Security benefits. Did your company present you with an early retirement proposal or are you considering early retirement? You may be eligible for a tax credit if you contribute to an employer-sponsored retirement plan or to an individual retirement arrangement. Discuss options with a preparer before you sign anything.

**Moving:** Consider everything from mileage rates for the moving vans to change-of-address forms to the IRS. Generally, you can deduct moving expenses if your move is closely related to the start of work. Your move meets the IRS distance test if your new main job location is at least 50 miles farther from your former home than your old main job location was. Qualifying taxpayers must also meet a time test, working full time for at least 39 weeks during the first 12 months after arriving in the general area of the new job location. Different rules may apply to members of the Armed Forces or a retiree or survivor moving to the U.S. Your best bet is to check with a tax professional.

**IRS Notifications:** If the IRS mailed you a notice after last tax season and you tossed it in a drawer, realize that the notice never really disappeared. If you've received a letter from the IRS,

call your preparer immediately. Putting off response will only bring more IRS letters and, likely, larger penalties.

With the right help from a tax professional, you can easily navigate the proper tax process for filing after recent changes in your life. For more information and to find a qualified tax preparer in your area, visit [www.nsacct.org](http://www.nsacct.org).

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