



How to Do Taxes: 5 Steps for First-Time Filers

By Tommie Ethington

IT'S NATURAL for first-time income tax filers to feel anxious, but it's best to relax and take a deep breath as you prepare for the April 15 deadline.

"Think of it as a financial recap of the year and realize many people get money back," says Bob Meighan, vice president of customer advocacy for Turbo Tax®.

5 EASY STEPS TO FILING YOUR TAXES

- 1 GATHER DOCUMENTS**
 - FORM W-2 (FROM YOUR EMPLOYER)
 - BANK STATEMENTS OR INVESTMENT REPORTS (TO SHOW INTEREST/DIVIDENDS)
 - FORM 1099-MISC (FOR ANY SIDE INCOME)
- 2 FILL OUT THE RIGHT FORM**
- 3 RESEARCH DEDUCTIONS**
- 4 USE E-FILE**
- 5 SET UP DIRECT DEPOSIT FOR REFUND**

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Meighan offers these tips:

- **Get organized.** Depending on your employment status, investments and loans – there are different documents and IRS forms you will need.
 - **If you have a full time job:** Filers should receive a year-end W-2 statement from their employers no later than Feb. 1.
 - **If you have a part-time or contracting job:** Expect to receive a Form 1099-MISC in the same timeframe.
 - **If you are self-employed:** Track your business income and expenses throughout the year because you will need this information when you file your return (Form 1040).
 - **If you have investments:** Bank statements and investment reports (in the form of a 1099-INT) also may be needed to show total interest and dividends earned in 2015.
 - **If you have loans:** You also need a 1098-INT to show what interest you paid, such as

on a mortgage or student loans.

- **Pick a form.** A popular form among first-time filers is the Form 1040EZ, the shortest and simplest of the three individual income tax forms. Use the 1040EZ if your taxable income is less than \$100,000 and comes from wages, interest or unemployment compensation. Also, you can't claim any dependents, and you must file as a single individual or jointly with a spouse to use the EZ form. If you do not meet those requirements, consider Form 1040A or Form 1040 (the long form).
- **Investigate deductions.** New filers may think they could not accumulate \$6,300 in itemized deductions as a single taxpayer, but that's not always the case. Certain deductions — such as ones involving student loan interest, education expenses and retirement contributions — may be claimed without itemizing and can reduce your taxes.
- **Use e-file.** Turbo Tax and other electronic tax preparation services make it easy to organize and file taxes online.
- **Set up direct deposit.** Getting a refund? Get it faster by filing your return online and directing the Treasury Department to put the dough right in your bank account. "E-filing with direct deposit of your refund can be the quickest and most secure way of getting your tax refund," Meighan says.

Tap into other resources at [USAA's Tax Center](#).

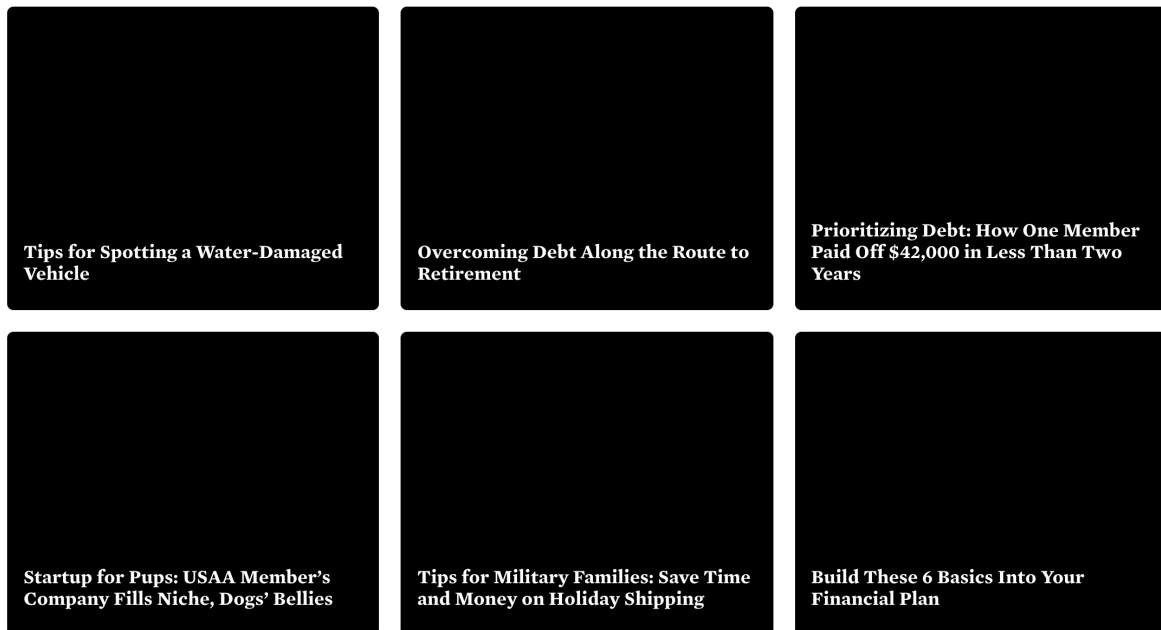
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