Tax Tips: avoid ferrors

(Editor's note: This series will run as a regular column to assist our readers in matters related to filing your 1984 income tax. The series will run until the week of April 15, when your income tax should be filed.)

Many simple errors that can cause weeks of delay in the processing of federal income tax returns could be avoided if tax-payers used the labels and envelopes that accompany their tax packages, the Internal Revenue Service says.

The peel-off label, which contains the taxpayer's name, address and social security number, is designed to expedite processing at IRS service centers and prevent common errors that can delay issuance of refund checks.

A common misconception is that using the peel-off address label will trigger an audit, Actually, coding on the label identifies the taxpayers and the kind of forms contained in his or her tax package. It does not in any way indicate the return should be audited.

One of the common and yet most troublesome errors that can be averted by use of the label is the listing of an incorrect or illegible Social Security number. Such an error can take weeks or even months to correct, and is one of the major cause of delayed refund checks.

The IRS advises taxpayers to use the label, even if corrections are necessary. For example, the cause of a change of address, the correction should be made directly on the label.

Errors can also be averted if taxpayers use the special pre-

Document Matching

Be sure to report all your income to IRS. It receives copies of statements from your employer, banks, and similar institutions to verify the income you report.



addressed envelope, which speeds sorting of tax returns during the annual deluge of mail that arrives at the ten IRS service centers.

IRS also advises taxpayers to round off cents to the nearest dollar when figuring federal income taxes. However, taxpayers should be consistent. If your do round off do so for all amounts. Drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. Taxpayers are likely to make fewer math errors by rounding off.