

***Top 10 Reasons For Receiving Correspondence from the IRS  
(or an e-file rejection)  
(and nobody really likes hearing from the IRS, including us)***

1. ***Spouse's name does not match SS number*** – usually wife never officially changed last name with Social Security Administration – go to [www.ssa.gov](http://www.ssa.gov).
2. ***Child's name does not match SS number*** – please check numbers of all new arrivals to a household (ie step children, new births, adoptions, foster children) – go to [www.ssa.gov](http://www.ssa.gov).
3. ***Child was “taken” on another return*** –
  - If you alternate years with a former spouse, please let us know if this is the year you are allowed the deduction for a child who is “shared” for tax purposes.
  - Make sure your college student understands that he/she is probably STILL your dependent! (We can sometimes work magic with college students, but ... it is harder if they have already done their tax returns incorrectly—and gotten a refund!! Your refund!!)
  - Whoever files a return first gets the refund immediately. If you have a former spouse who incorrectly reports that a child is a dependent, he/she may get the refund, leaving you to fight for it later. You will have to file a paper return.
4. ***Failure to report all income from Forms 1099*** – that includes interest income, retirement distributions, dividends, sale of stock or real estate, rents, royalties, barter and miscellaneous nonemployee compensation (ie contract work). (*Watch out for extreme trading on E-Bay etc. The income is taxable, but if you are doing a lot of trading, you may be eligible to claim it as a business...with business deductions – very good!! Talk to us!*)
5. ***Failure to report all income from W-2s*** – don't forget even those tiny little part time jobs. All income is taxable. Sigh.
6. ***Failure to report all income from Forms K-1*** – if you are a partner in a publicly traded partnership, a shareholder of an S corporation, a member of an LLC, or any kind of partner of a partnership, you should receive a Form K-1. The IRS is getting

good at matching this type of revenue with you. It is a taxable event. You may have losses stockpiled from the past to offset the income, though.

7. *Incorrect estimated tax payments* - please let us know the EXACT amounts you paid for your quarterlies (if you do quarterlies) and the date you made the payments. Also - we need the exact amount amount paid with your extensions. This is the Number One “math error” in our practice - not having the correct amount on the return for estimated payments. We cannot read your mind 😊.
8. *Penalties and interest statements - if you do not pay your taxes by April 15 (even if your return is extended)*, the IRS will charge you penalties and interest on outstanding tax balance when you do file. That is why we work so hard to get you an estimate of taxes due before April 15 if you are going to extend.
9. *Failure to report sale of stock option related stock sales* - even if your company includes your stock option related stock sale on your W-2, you must report the transaction on Schedule D. It is usually a wash with very little taxable impact, but if you don't report it on Schedule D, the IRS assumes that the whole stock sale is taxable....yikes.
10. *Failure to File.* Not all returns can be electronically filed. The State of Colorado still does not accept e-file for entities, like S corporations, LLCs and C corporations. Those returns are all paper filings - you must sign and mail those forms to Colorado. Please look at your tax documents when you receive them from us - the transmittal letters will tell you if you need to mail a paper copy of a return to a taxing authority.

Help us minimize contact with the IRS by providing complete information and then checking your return before filing. We really hate to admit it...but we do make mistakes once in awhile...drat!