

How do I file an income tax return?How do I file an income tax return?

BY YOURSELF:

Any individual can do their own tax return. They can fill out the forms on paper or pick up a software package and file by mail or electronically.

- **BENEFITS:**
 - Save on accounting fees
 - Do it on your own spare time
- **DRAWBACKS:**
 - You must do it on your own time
 - There is not a professional tax preparer to give you advice or help
 - Requires that you are familiar with all the tax laws - including recent changes
 - You are 100% responsible to keep all records for 7 years, not just receipts

WITH A TAX PREPARATION SERVICE:

To file with a tax preparation service the first step would be to gather all the information slips, receipts, and any other deductions or income they may have. They would then go to the tax preparation service and would file the tax return while they wait.

- **BENEFITS:**
 - The tax preparer shares with the responsibility for having a correct return filed
 - Some tax preparation services will file your return for you
 - Your return is prepared while you wait
 - This service may be cheaper than an accountant
 - You may receive a portion of your refund that day
- **DRAWBACKS:**
 - You might not get the same person year to year
 - The person you are dealing with may or may not be aware of current tax changes
 - The tax preparers may perform some work for you that you have to pay more for than would save you money. Example: You are charged 50.00\$ to add up medical, but your medical only saves you 40.00\$ on your return.
 - If you get a portion of your refund that day, then the tax preparation service will take a percentage of your refund on top of their fee. This will make their service more expensive than most accounting offices

WITH AN ACCOUNTANT:

You would first gather all your slips, receipts, and any other deductions or income you would have. Then you would drop it off and meet with the accountant. When meeting with your accountant, you would discuss your tax situation and explore ways to minimize your taxable income and maximize your deductions. The accountant would then go through their processes to complete your tax return to the maximum efficiency. You would then be contacted through phone or email with the results and when things would be ready to be picked up. The accountant would file your return electronically on your behalf.

- **BENEFITS:**
 - Personalized service
 - The accountants professional designation requires them to be up to date on current tax laws and recent changes
 - You can deal with the same person every year
 - You save time by having them do all the work and not have to wait in line
 - The accountant shares some of the responsibility for the accuracy of your tax work
 - The accountant can retain digital copies of your tax returns and other filings for up to 7 years. (So long as you remain a client)
- **DRAWBACKS:**
 - Usually you will need to wait for the completion of your tax return.

Ultimately, the service you choose, depends on how much risk you want to assume for the single biggest expense of your life time - the tax man.