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# Avoid IRS Problems And Save Taxes With These Simple Resolutions

Resolutions should be manageable and concrete. Here are six that actually can have an impact on how likely the IRS is to bother you. Any one of them could calm your nerves and fatten your wallet in 2016:

**1. I Will Pay Attention to Each Form 1099.** It's almost time for these little tax reports to show up in your mail, so get ready. Each one bears your Social Security Number and will be matched to your tax return. Pay attention to them—the IRS sure does.

**2. I Will Consider Taxes *Before* Signing Agreements.** Leases, purchase agreements, settlement agreements, employment agreements, independent contractor agreements, and more. You name it, they have tax consequences. They needn't be mega-transactions for the tax dollars to be significant. Consider taxes before signing, since that's when you can still make changes.



**3. I Will Keep Good Records.** Few people like keeping tax records, and playing catch up is the worst. For personal records or business, get organized. Keep a copy of each check, each payment, signed contract, lease, invoice and receipt, and the like. Good records make tax compliance and tax controversies vastly easier. What's more, if you have good records, the chances are that you are less likely to need to haul them out. If you don't have records, the IRS seems more likely to ask for them. Call it karma.

**4. I'll Deal With Notices Promptly.** Many tax lawyers and accountants make more money because clients tend not to deal with glitches and even major problems promptly. Often, tax professionals could achieve a better result if they were brought in earlier. For example, if you fail to respond to an [IRS 90 day letter](#), it's no longer possible to go to [Tax Court](#). Instead, you'll need to file a refund claim and then go to District Court or Claims Court. So if you get a notice and the IRS wants an answer within 30 days, hire someone right away, or deal with it yourself—within 30 days.

**5. I Won't Fight Over Pennies.** We all like to be right, but consider whether it makes sense to argue over small amounts with the IRS. Everyone has a different threshold for what amount is inconsequential. Don't invest time when inconsequential money is at stake. In some cases you can risk other issues arising. Complain about \$67 and you could end up owing thousands.

**6. I Will Run Numbers.** Just because you *can* claim a deduction doesn't always mean you should. There may be no way to know if you're getting a tax benefit from a deduction without running numbers, whether you do your own return or have a preparer. Running multiple scenarios is especially helpful with [AMT](#).

Any of these six resolutions is likely to help your tax posture. And, if you can keep all six, your 2016 might be your most tax efficient year ever.

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