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## AICPA Lists 10 Common Tax Filing Mistakes

March 28, 2006 (SmartPros) — The American Institute of Certified Public Accountants published a list of the 10 most common mistakes made each year by individual taxpayers on their federal tax returns.

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Mistake #1: Leaving Off Attachments – Make sure you've completed and attached to your Form 1040 all required schedules and forms. You should attach them using the "Attachment Sequence Number" shown in the upper right corner of each schedule or form. Attach other statements and schedules at the end of your return, even if they relate to another form or schedule. Also, it's a good idea to include your name and Social Security number on every page of each form you submit.

Mistake #2: Forgetting About Carry-Forwards from Prior Years – Make sure to check prior year returns to see if there are any items to be carried forward to this year, such as capital losses or charitable deductions that exceeded the amount you were able to deduct in previous years.

Mistake #3: Reporting Investment Income in the Wrong Place – Some taxpayers mistakenly report earnings from money market funds as "interest income" when, in fact, the IRS considers such earnings to be dividends.

Mistake #4: Overpaying Your Social Security Taxes – If you worked at two or more jobs in 2005 and your total earnings exceeded \$90,000, you may have overpaid your Social Security taxes. The instructions that come with your Form 1040 will tell you how to claim a credit.

Mistake #5: Unnecessarily Declaring Your State Tax Refund as Income – Do not declare your state tax refund as income on your federal return if you did not receive a tax benefit from deducting the taxes. Many people make the mistake of automatically reporting state tax refunds as income. If you took the standard deduction instead of itemizing in 2004, you don't have to show your state tax refund as income for 2005.

Mistake #6: Failing to Document Charitable Donations – For charitable donations of \$250 or more, written acknowledgment from the charity is required. A canceled check is not sufficient. If your gift was one of property rather than cash, the acknowledgment must describe the property. When your noncash contribution exceeds \$500, you also are required to file IRS Form 8283, Noncash Charitable Contributions, giving details of the donation.

Mistake #7: Omitting Social Security Numbers of Dependents – You MUST include on your tax return the Social Security number for all dependents. Also, to claim a child or dependent care credit, you must complete Form 2441 and indicate the care giver's name, address and taxpayer identification or Social Security number.

